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HOUSE OF COMMONS

Monday, April 10, 1961

The house met at 2.30 p.m.

TRADE

O.E.C.D.—REPORT ON FOURTH MEETING OF DEVELOPMENT ASSISTANCE GROUP

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I should like to make a brief report to the house on the fourth meeting of the development assistance group which took place in London from the 27th to the 29th of March. As hon. members will recall, this group is a temporary body; when the organization for economic co-operation and development comes into being later this year the present group will be transformed into the development assistance committee of that organization.

At these meetings Canada, like the other countries concerned, was represented by officials from the various departments concerned with our international aid program. The other members of the group are Belgium, France, the Federal Republic of Germany, Italy, Japan, Netherlands, Portugal, the United Kingdom, the United States and the commission of the European economic community. Mr. Kristensen, the secretary general designate of the O.E.C.D., as well as representatives of the international bank and the inter-American development bank, also participated in the London meeting.

This meeting of the development assistance group was one of special significance. It was the first since the new administration took office in the United States. The administration, as hon. members are no doubt aware, has shown a very strong interest in improving the quantity and quality of the aid flowing to underdeveloped countries from the more advanced countries of the free world. In line with this interest, the administration put forward proposals for enlarging and intensifying the activities of the group.

The conclusions of the meeting in London were set forth in a communiqué to which are attached two important resolutions. With the consent of the house I should like to table these documents at this time. By way of summary I might say that the group agreed to recommend, as a common objective, an expansion in the aggregate volume, and an improved effectiveness, of the resources made available to the less developed countries. Accordingly it was agreed that the members of the group would periodically review together the amount and nature of their contributions in terms of multilateral and bilateral aid, and also agreed that a study should be made of the principles by which governments might equitably determine their respective contributions to the common objective, having regard to the different circumstances and capacities of each country.

The group also decided to strengthen the effectiveness of its work by inviting the delegations of the United States and France to nominate a chairman and vice chairman respectively of the group to serve until the O.E.C.D. is formed, and to be available in these capacities thereafter. Under this arrangement the chairman will be expected to devote most of his time to the work of the D.A.G. He will co-operate with the secretary general of the O.E.E.C. and should be able to provide the kind of leadership and continuity of purpose which the important objectives of the group require but which could not be easily achieved under the former arrangement whereby a different chairman was chosen for each meeting, with his responsibilities being confined to the actual conduct of the meeting in question.

I need hardly say that the government of Canada, representing a country which has itself played a significant role for more than a decade in the provision of bilateral and multilateral aid to the underdeveloped countries, is in sympathy with the purport of these resolutions. We recognize that an increasing number of the more economically advanced countries are now in a position to initiate or expand their aid in various directions and by various methods, and that by consulting together in the D.A.G. we can all improve the effectiveness of our assistance programs.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I think hon. members will have had the opportunity, to some extent at least, to follow in the press the activities of this important meeting in London and the communiqué that was issued at the end of that meeting. On this side we will be happy to support anything that can be done to co-ordinate and extend development assistance, especially on multilateral lines. If the London meeting, as I understand from the minister's statement is the case, has made some contribution to that objective, then I think it should be strongly supported.

O.E.C.D.

There was one omission from the minister's statement, at least according to press reports of this meeting. That omission concerned a reported proposal by the United States that each member of the development assistance group should contribute 1 per cent of its gross national product to international assistance, and also that unless there were balance of payments considerations which made it impossible, there should be no obligation imposed by contributing countries to have their contributions spent within their own borders.

I do not believe the communiqué makes a reference to this proposal by the United States. A great deal of publicity has been given to it, and it would have been interesting to have secured from the minister some indication of the attitude of the Canadian government toward the proposal. Perhaps we will be able to do so on some subsequent occasion.

Mr. Erhart Regier (Burnaby-Coquitlam): We have heard the announcement by the Minister of Finance. All I will say at this time is that we regret the fact the record proves that Canadian assistance in the field of international aid has declined since this government assumed office. As the leader of the official opposition has—

Mr. Speaker: Order. The hon. member is going beyond the scope of the announcement, which was a factual account of a meeting of officials in Europe, and is commenting generally on the actions of the government in the field of economic aid. These comments seem to me to be more appropriate for a time when the subject can be debated rather than the present time when the hon. member has the opportunity, if he wishes, to reserve comment with respect to this announcement but not to introduce controversial discussion.

Mr. Regier: In the light of your remarks, Mr. Speaker, all I will say is that I hope the Canadian government, at a very early date, is going to reverse this trend of declining participation in the field of international aid to underdeveloped countries, so that there will be more aid given rather than a decline in this respect.

MERCHANT SEAMEN COMPENSATION ACT

AMENDMENTS RESPECTING PAYMENTS FOR ORPHANS OF SEAMEN

Mr. C. W. Carter (Burin-Burgeo) moved for leave to introduce Bill No. C-81, to amend the Merchant Seamen Compensation Act.

Some hon. Members: Explain.

[Mr. Pearson.]

Mr. Carter: Mr. Speaker, the purpose of this bill is to widen the discretion of the merchant seamen compensation board to make an allowance to a person who undertakes the care and maintenance of those orphans of a merchant seaman who are entitled to compensation under the Merchant Seamen Compensation Act. Under the present wording the allowance is paid only if the person moves into the household of the deceased seaman or deceased seaman's widow. This bill would permit the allowance to be paid, in the discretion of the board, when the orphans are cared for and maintained elsewhere than in the former household in a manner satisfactory to the board.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

POSTPONEMENT OF SUPPLY MOTION

On the orders of the day:

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, may I make an announcement with regard to the business of the house. When the house rose for the Easter adjournment it was the intention to have a supply motion today and tomorrow. However, during the interval it seemed advisable to change that order of business and postpone the supply motion. After consultation with the parties on the other side of the house we have reached the conclusion that we might move into supply today without debate or amendment and consider the estimates of the Department of Agriculture.

I hope this announcement will not take too many members of the house by surprise. Perhaps it will, inasmuch as we have been considering Department of Agriculture estimates on three preceding occasions for about eight hours and there has been considerable discussion on the first item. I presume that everybody interested in agriculture will be prepared to go ahead with the estimates today.

Hon. Lionel Chevrier (Laurier): As I understand it, this is just a postponement of the motion to go into supply. We are certainly quite agreeable to this request made by the government.

Mr. Regier: Mr. Speaker, our group is quite prepared to go along with it.

Mr. Speaker: I take it, then, that by unanimous consent the house is prepared to resolve itself into committee of supply without question put, and that the motion to resolve into committee of supply will not be counted as one of the six supply motions provided for in the rules. On that understanding, is it

the pleasure of the house that, when the orders of the day are reached, a motion to go into committee of supply be accepted as unanimously adopted?

Some hon. Members: Agreed.

UNITED NATIONS

SOUTH AFRICA—CANADIAN INTERPRETATION OF APARTHEID RESOLUTION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister a question arising out of a resolution adopted at the United Nations which requested all member states to consider taking such separate and collective actions as are open to them to bring about the abandonment of policies of apartheid in South Africa. My question is this. In view of the fact that Canada supported this resolution, does this mean that the Canadian government, when South Africa leaves the commonwealth, will seek modification of existing arrangements regarding commonwealth trade preferences with that country?

Right Hon. J. G. Diefenbaker (Prime Minister): The resolution in question, co-sponsored by India, Ceylon and Malaya, makes abundantly clear the assembly's abhorrence of and concern over South Africa's racial policies and requests "all states to consider taking such separate and collective actions as are open to them in conformity with the United Nations charter . . ."

It is, of course, up to members to interpret United Nations resolutions as they deem fit. The language to which the Leader of the Opposition has called attention is admittedly broad, but as the Canadian representative pointed out in his explanation of the vote, this clause does not in the government's view condone the use of force or punitive measures by member states. Our interpretation of this clause is rather in terms of moral suasion than of concrete measures such as various forms of sanctions.

The general question of trade relations with South Africa is under consideration, but we do not consider that the terms of this resolution would bind us to repudiate existing trade arrangements with South Africa.

Mr. Pearson: I wish to ask a supplementary question. Is it a fact that these trading arrangements with South Africa which the Prime Minister has mentioned are dependent upon South Africa's membership in the commonwealth?

Mr. Diefenbaker: I have not before me at the moment the various arrangements, but my understanding is that in general these arrangements are the result of bilateral agreements going back to 1932.

ADMINISTRATION OF JUSTICE

OTTAWA—USE OF UNAUTHORIZED FLAG AT SUPREME COURT BUILDING

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Justice, or in his absence for the Solicitor General. Could the minister advise the house what action, if any, has been taken as the result of a prank involving the flying of an unauthorized flag in front of the supreme court building in Ottawa on Wednesday last?

Hon. W. J. Browne (Solicitor General): Mr. Speaker, I must thank the hon. member for giving me notice of his intention to ask this question. This matter has been investigated by the Royal Canadian Mounted Police and is presently being considered by officials of the Department of Justice.

(Translation):

[*Later:*]

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, following the incident which happened a few days ago with regard to a distinctive national flag when a young student sought to express his enthusiasm for such a flag, could the Minister of Justice or his parliamentary secretary tell us whether proceedings will be taken against this student?

(Text):

Mr. Speaker: Perhaps the hon. member would allow that question to be added to the earlier one on the same subject, and taken as notice.

Hon. Lionel Chevrier (Laurier): No, the question is not the same.

An hon. Member: Do you want them to prosecute?

Mr. Chevrier: That depends on the government. The question concerns legal proceedings, and I think it is a different one.

Mr. Speaker: I have no intention of preventing the minister from answering if he wishes to do so today.

Mr. Browne (St. John's West): If the hon. member did not hear the answer I gave to a previous question dealing with the same subject, may I repeat that that matter is being studied by the officials of the Department of Justice at the present time.

Inquiries of the Ministry

(Translation):

SASKATCHEWAN

RESERVATION OF LEGISLATION RESPECTING MINING CONTRACTS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to put a question to the Secretary of State or, in his absence, to the acting minister.

Is it true that the lieutenant-governor of Saskatchewan, Mr. Frank L. Bastedo, has reserved a bill on behalf of the crown concerning the right to renegotiate certain ore contracts with private corporations?

(Text):

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think I might most appropriately answer that question. The first information the government received on this matter was on Saturday, when the lieutenant governor telephoned the under secretary of state that he had reserved a bill of the Saskatchewan legislature for the signification of the Governor General's pleasure. The bill, I am informed, purports to empower the provincial government to alter mining contracts and is entitled the Mining Rights Alteration Act.

We have no other information on the matter. There was no consultation in advance in any way, and any action in this regard would be taken by the lieutenant governor himself.

SUBVERSIVE ACTIVITIES

MONTREAL—REPORTED ARREST UNDER OFFICIAL SECRETS ACT

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Solicitor General and Acting Minister of Justice. Is the minister in a position to confirm the arrest of a Montreal engineer allegedly charged with an offence under the Official Secrets Act?

Hon. W. J. Browne (Solicitor General): Mr. Speaker, according to the information of the Department of Justice a landed immigrant residing in Montreal was arrested by the Royal Canadian Mounted Police last night under the Official Secrets Act. He is appearing in court today. Under these circumstances I believe it would be improper to make any further comment on the matter.

COMMUNICATIONS

WINDSOR, ONT.—REQUEST FOR EMPLOYMENT OF BILINGUAL TELEGRAPH PERSONNEL

On the orders of the day:

Mr. M. W. Martin (Timmins): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the report in *Le Devoir* of April 6 to the effect that in Windsor, Ontario, a city of 35 per cent French speaking people, it is impossible to telephone a telegram in French to the Canadian National Telegraphs office, would the minister make urgent representations to the C.N.R. to the effect that bilingual persons in a reasonable proportion be employed at the C.N.T. offices in Windsor and in other comparable localities across Canada?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I shall be pleased to make such a representation to the management of the C.N.R.

UNEMPLOYMENT INSURANCE

ISSUE OF STAMPS TO CASUAL EMPLOYEES

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, may I direct a question to the Minister of Labour, notice of which I sent to his office this morning. In the absence of the minister I would ask that the question be taken as notice by his parliamentary secretary.

Will the minister advise the house whether instructions have been issued by the unemployment insurance commission to all post offices throughout the country to discontinue the issuance of unemployment insurance stamps for casual employees. If so, on what date were such instructions issued, and does this mean that U.I.C. form 419-C has now been discontinued?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, notice of this question was brought to my attention just before I entered the house. I have asked for the information, and it will be given tomorrow.

NATIONAL DEFENCE

INQUIRY AS TO CONTRACTS WITH MONTREAL ENGINEERING FIRM

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, may I direct a question to the Minister of National Defence. Can the minister say whether the Montreal engineering firm of Surveyer, Nenniger and Chenevert is engaged in performing any contracts for the Department of National Defence or Defence Construction Limited?

Mr. Speaker: If the hon. member has not given notice perhaps he will put his question on the order paper.

NORAD—INTERCEPT ACTIVITIES AGAINST STRATEGIC AIR COMMAND PLANES

On the orders of the day:

Hon. Paul Hellyer (Trinity): May I address a question to the Minister of National Defence—I regret no notice has been given—and ask him whether orders have been given prohibiting air intercept activity by NORAD planes against aircraft of the United States strategic air command.

Hon. D. S. Harkness (Minister of National Defence): Not as far as I am aware, Mr. Speaker.

IMMIGRATION ACT

INQUIRY AS TO DECISION IN RELATION TO BILL OF RIGHTS

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, may I ask the Prime Minister whether he has any observation to make on a recent decision of the Supreme Court of Canada that the Immigration Act supersedes the bill of rights and is the supreme authority, and that the bill of rights passed by this parliament is subservient to the Immigration Act.

Right Hon. J. G. Diefenbaker (Prime Minister): I have not had the opportunity as yet of studying the judgment in question. In any event, I would have no observation to make on the Supreme Court of Canada in the discharge of its responsibilities.

INDIAN AFFAIRS

SARNIA, ONT.—INSTALMENT PAYMENT ON SALE OF LAND

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I may address a question to the parliamentary secretary to the Minister of Citizenship and Immigration, and ask whether the firm known as Dimensional Investments Limited has yet made the payment which is already in default in connection with the Indian land at Sarnia.

Mr. John Charlton (Parliamentary Secretary to the Minister of Citizenship and Immigration): I think I mentioned previously in answer to a question on the subject that the firm had 30 days grace in which to make the payment. That time has not yet elapsed.

Mr. Pickersgill: But has the payment yet been made?

Mr. Charlton: I will obtain that information and give it to the hon. member tomorrow.

Supply—Agriculture

Mr. Speaker: Pursuant to the order made earlier this day, is it agreed that I do now leave the chair by unanimous consent without question put, for the house to resolve itself into committee of supply, the order covering both today and tomorrow?

Some hon. Members: Agreed.

SUPPLY

The house in committee of supply, Mr. MacEwan in the chair.

(Translation):

AGRICULTURE

AGRICULTURAL PRICES STABILIZATION

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, before this first item is passed, I should like to ask the Minister of Agriculture whether he could make a statement concerning agricultural prices stabilization for the year 1961-62, and especially as regards milk products.

(Text):

Mr. Hamilton (Qu'Appelle): The government still has this matter under consideration. There has been no announcement yet.

Mr. Boulanger: When does the minister expect to make an announcement with regard to the price of butter and cheese especially, and powdered milk?

Mr. Hamilton (Qu'Appelle): The same answer applies; this is still under consideration.

Mr. Regier: It is not very often that I have the privilege of speaking to an item of the Department of Agriculture. However, I cannot easily forget that I represent an industrial area. Many of the people of my constituency are pensioners, either because they are veterans of world war I or world war II or are old age pensioners. However, the bulk of the constituents whom I represent are industrial workers.

I may assure the minister at once that the industrial workers of my constituency are very much concerned about the welfare of agriculture. These union members in my riding remember very well the appeal of the Prime Minister who at the time was a leading spokesman in the opposition. They recall when the member for Prince Albert at that time, now our Prime Minister, raised his finger in anger at the prime minister of the day and said, "Canadian agriculture demands parity, not charity."

I have spoken to a great many people at many labour meetings and meetings of unionists, and each and every time I have appealed to them on behalf of agriculture for parity instead of charity they have responded. I well

remember one time when the milk producers of the Fraser valley of British Columbia were in difficulty, and the international woodworkers of America went so far as to spend roughly $1,000 of their own union funds to organize mass meetings in the Fraser valley, which were designed to help the milk producers of that area. They organized them most effectively. We had mass meetings of up to 1,000 milk producers. The end result was that orderly marketing was restored in the lower mainland of British Columbia. This was a contribution that organized labour made to agriculture in our province.

Organized labour contends that Canadians engaged in agriculture are entitled to the same rights and blessings as are all other Canadians. We would like to see agriculture organized to the point where it is not merely an organization that is kowtowing to a particular government in office. We would like to see organized agriculture speak its own mind and express its own needs regardless of the consequences. A number of years ago organized agriculture was most vehement in its desire for parity prices. I regret very much that many major sections of organized agriculture have changed in this respect and are now kowtowing to the government of the day asking for little bits and pieces, a little more of this and a little more of that. A few branches of organized agriculture have forgotten the basic rallying call of parity, not charity.

When I look at agriculture on the national scene I cannot help but remind the committee of my observation of agriculture in the Atlantic provinces. The capital needs of agriculture are simply fantastic and completely staggering. A billion dollars and more will be needed by way of capital investment to put Canadian agriculture on its feet. I would say —and I do not think any member from the maritime provinces would refute my contention—that about 80 per cent of the so-called farms in that region of Canada are not really farms at all; they are only farms as a last resort. When we look at the statistics of the income of agriculture in the Atlantic provinces we have to realize that there is an urgent need for major reform. A farm which consists of 18 acres and has three cows, 80 laying hens and four pigs is no longer good enough. Remedial action is urgent and necessary in order to build up economic units of agricultural production.

Hundreds of millions of dollars of capital investment are urgently needed, and I am afraid that existing legislation is most inadequate in this regard. It is equally important that agriculture not only be given parity but that measures be undertaken in order to enable farmers to produce at an economic level. There is room in our nation for the farmer who can operate at an efficient cost of production. However, we have a long way to go before farmers in Canada generally will be producing at minimum cost, and I believe it is one of our major national responsibilities to help to bring this about.

I know that the minister represents a Saskatchewan riding, and I realize that in the main wheat growers are producing at cost. They are very highly organized. However, I do not think members of the House of Commons have ever realized that there are more farmers in Canada who have never produced a bushel of wheat than there are wheat producers. The minister comes from Saskatchewan but I hope he will keep in mind that there are many more farmers in Canada who do not produce a bushel of wheat than there are wheat farmers. There are farmers engaged in all kinds of agriculture in the Atlantic provinces, Quebec, Ontario and British Columbia. These people are not overly interested in the welfare of the wheat farmer.

I know that because of the history of our party our group has usually been the spokesman for the wheat farmers of the prairies. I know that the minister's predecessors have also come from the prairies. I should like to see the day when the Department of Agriculture will pay some attention to those farmers who do not grow wheat, because there are many more of them in almost every province than those who grow wheat. It is in the interests of all of us that farmers in general receive an equitable share of the national income. I regret that almost everything the present and preceding governments have done has been solely in the interests of the wheat farmers of Canada.

I believe the minister has the intelligence to realize the over-all position of Canadian agriculture. I can remember the Saskatchewan election of 1938. At that time I happened to meet him on the sidewalk outside the *Star-Phoenix* office and we were watching the election results as they were posted on the signs. The minister and I were both born and raised in Saskatchewan, and I know he has the intelligence to look beyond Saskatchewan, to consider the needs of agriculture in other parts of Canada and to realize that the wheat farmers are not the only farmers in Canada. They represent only one branch of farmers. My great-grandfather, my grandfather and my father were wheat farmers in Saskatchewan, and I admire the wheat farmers. They have come a long way and they have had to sacrifice much. They now have orderly marketing of their product. By reason of their very strength of organization they are able to obtain a certain degree of equity.

However, there are many other types of farmers in Canada. There are dairy farmers, onion farmers, beef producers and others engaged in various branches of farming that I could mention. These people greatly outnumber the wheat farmers. I should like to see the day when the government of Canada will pay some attention to these other branches of agriculture and help them to organize at least to the same extent that the wheat farmers have been able to organize despite the governments that have been in power.

The wheat farmers are not receiving parity at this time, but other farmers in Canada are much worse off. I do not know where the fault lies. I think it lies with these other farmers themselves. They have not organized in order to be able to exert pressure in the same way the wheat farmers have, but I hope they are equally deserving of consideration in this House of Commons.

Mr. Pigeon: Mr. Chairman, at the outset of my remarks, may I ask the Minister of Agriculture (Mr. Hamilton) whether he has received a request from the government of the province of Quebec, expressing the desire of the provincial authorities to share in the crop insurance scheme, in order to help the farmers generally, and particularly those specializing in certain crops such as cigar and cigarette tobacco?

At the present time, cigar and cigarette tobacco producers in the province of Quebec sustain considerable losses every year as a result of such weather hazards as frost and hail. Of course, producers of special crops can go to private concerns to ensure their crops, but only at prohibitive cost. That is why I ask the Quebec provincial authorities to co-operate with the federal government in the implementation of this crop insurance scheme, which is a necessity for farmers generally, and particularly those who grow special crops like the ones I mentioned a moment ago.

Cigar and cigarette tobacco is grown in the Joliette-L'Assomption-Montcalm area. It provides considerable income, not only to the farmers but also to the workers involved in the tobacco processing industries, such as Imperial Tobacco in Joliette and the Cooperative des Tabacs de Saint-Jacques.

I therefore ask the minister to indicate whether the authorities of the province of Quebec have been in touch with him, either by telephone or by letter, because I was reading in *Le Devoir* for February 21, 1961, the following statement made by the provincial minister of agriculture:

> The days of splendid isolation are over; Quebec intends to and will do its share in the development of agriculture and of all aspects of Canadian life, in co-operation with the federal government and with the governments of Canada's other provinces.

I think it is about time that the government of the province of Quebec made up its mind once and for all to co-operate with the federal government in putting into operation this crop insurance scheme which will be of great benefit to the agricultural class of the province of Quebec.

Mr. Chairman, the Canadian Federation of Agriculture has been in existence now for 25 years. May I take this opportunity to pay tribute to this national organization which has been and still is of great service to the agricultural class. A great many agricultural associations of all provinces are members of the Canadian Federation of Agriculture. In the province of Quebec, the Union catholique des cultivateurs, the Cooperative federee and the Quebec farmers' association are all members. The U.C.C. and the Cooperative federee each pay about $6,000 a year for their membership in the Canadian Federation of Agriculture. However, I would suggested to the authorities of the federation, to its president and its vice president, Mr. Lemoyne, and to its other directors, that the brief which the Canadian Federation of Agriculture submits every year to the government should be in both languages.

The federation recently submitted a brief to the federal government, but it was in one language only. I think it is most important that the Canadian Federation of Agriculture take steps to correct this situation and submit its annual brief in both languages.

Mr. Chairman, Quebec turkey breeders have been living anxious hours at the thought that the federal government would yield to pressures for the removal of controls over the importation of turkeys from the United States. The maximum import quota was 4 million pounds.

I know the members of the opposition support the removal of tariffs. I have a letter from the Cooperative avicole du Quebec, asking me to urge the Minister of Agriculture not to yield to demands or pressure for the removal of tariffs or quotas. I quote:

> In 1960, such imports reached 6½ million pounds, including all turkey meat other than whole turkeys. This figure is equal to one sixth of the total Canadian production, and to 6 per cent of the tremendous American production, estimated at about

45 to 50 million pounds. It is expected that in 1961, there will be an over-production of turkeys in the United States.

Judging from past experience, we have every reason to believe that American turkey producers would immediately object, if Canadian turkey producers ever shipped even a small percentage of that quantity beyond the 45th parallel. In 1959, towards the end of the season, Canada shipped a few thousand pounds of turkey. Representatives of the turkey producers in Washington soon got the authorities to put a stop to those shipments.

The Canadian turkey industry is, of course, concerned. What would happen if, this year or later, we allowed our market to be flooded with low grade incubator eggs or with turkey chicks and grown turkeys?

Whenever Canada imports those products, she is in fact buying birds fed with American grain. That means tons of food, thousands of hours of work, while our own grain remains unsold at a time when unemployment is rife in this country.

To set this right, to avoid failure for our producers and to safeguard the interests of that industry, the government would do well to stand fast and not yield to any pressure aimed at abolishing quotas or customs tariffs, and maintain a controlled ceiling of 4 million pounds.

I believe, Mr. Chairman, that in maintaining the quotas the government would greatly assist fowl producers.

On February 18, 1960, a brief was submitted by the cigar and pipe tobacco vendors co-operative, to the Minister of Finance (Mr. Fleming). That crop being very important in my constituency, may I suggest that those imports constitute a permanent threat to Canadian production.

For instance, in 1960, manufacturers used nearly two and a quarter million pounds of imported tobacco; this was almost 28 per cent of the total quantities used. And there is a new factor: those imports are becoming diversified. Whereas, traditionally, manufacturers import mainly from Cuba and the United States, in 1959 and 1960, there was a trend to buy from underdeveloped countries, like the Dominican Republic and others, at prices which dangerously competed with our Canadian production. A quarter of a million pounds from those countries entered Canada in 1960.

[Mr. Pigeon.]

In order to complete the comparison, let us add that except for imports from Cuba and the Philippines, the American tariff rate is considerably higher than ours. It is 16.1 cents for unstemmed leaf and 23 cents for stemmed leaf, whereas the Canadian rates are 12½ cents and 20 cents a pound respectively.

That is why the Quebec cigar tobacco producers are asking the government to consider the situation and see that nothing is allowed to impair that production which, economically speaking, represents a large amount of money for the province of Quebec.

Mr. Chairman, in closing my remarks, I would like to say a word about the proportion of Canadian bilinguals in the federal civil service, and more particularly in the Department of Agriculture. I know that the Department of Agriculture cannot be blamed for the situation, because the civil service commission is an organization independent from the government.

However, I would ask that each year, if possible, a representative of the civil service commission, or a commissioner, visit the various faculties of agriculture and veterinary medicine in Quebec, or the various research departments of our universities—a procedure which might also be applied to universities in other provinces—in order to explain to graduates and other students what opportunities they have to serve the Canadian government in the federal civil service.

If a member of the civil service commission would visit the universities of Quebec and explain to those about to graduate and to graduates the advantages to be gained from employment with the Department of Agriculture, I think this would help remedy this situation.

Those, Mr. Chairman, were the few remarks I wanted to make in the best interests of our farmers and of agriculture in general.

(Text):

Mr. Thomas: There are a few comments I should like to make on this first item of the estimates of the Department of Agriculture. I should like to say a word concerning the difficulties facing all sugar beet growers in Canada. As hon. members are aware, beets are grown in four areas, namely Alberta, Manitoba, southwestern Ontario and the province of Quebec. Due to a number of circumstances the growers, especially those in southwestern Ontario, have had a very difficult time and for some years the industry there has been in a marginal position. It is very questionable under present circumstances whether it pays the farmers of southwestern Ontario to continue growing beets.

However, as a result of the co-operation of the provincial government of Ontario, the federal government, the Canada and Dominion Sugar Company and the growers of Ontario, special arrangements were made to carry the industry through the crop year of 1961. This has been done in the hope that it will be possible, during the course of another year, to create in Canada a national sugar policy which would place the sugar beet industry of this country on a sound financial basis.

The beet growers themselves estimate that a quarter of a cent per pound on sugar in Canada could be used as a stabilization fund which would establish the industry in a sound financial position and permit the producers and the sugar refining companies to lay their plans for the future with confidence. In these days when we are trying to retain our employment in Canada and are trying to build up our Canadian industry I submit that it is important that the matter of a national sugar policy should be given close and careful consideration.

I hope and trust that the matter of establishing a sugar policy will be pursued with energy and vigour, and that it will not be lost track of during this coming year. We should get at the matter without delay, and should continue our efforts until we have arrived at some satisfactory formula for the proper establishment of our sugar beet industry on a sound financial basis. I make this recommendation for the consideration of the Minister of Agriculture.

Another matter I wish to mention has to do with storage for Ontario wheat. As members of the committee well know, the wheat producers of Ontario have established a wheat producers marketing board in this province. They try to finance their own operations as much as possible. They have the authority to levy a charge of nine cents per bushel on all wheat handled in Ontario. This nine cents per bushel is used for the purpose of a stabilization fund to take Ontario wheat off the local market and put it into the export trade. During their three years of operation the Ontario wheat producers marketing board have been seriously restricted by lack of storage space. Ontario fall wheat, which is a soft wheat, owing to the warm weather of the harvest season is subject to bin damage through overheating. It is necessary for the wheat to be taken from the field to proper drying establishments or to be stored where adequate drying facilities are available so the excess moisture can be taken out of the wheat and it can be properly dried for storage.

No such space exists at the present time. For several months the Ontario wheat producers marketing board have been negotiating with the national harbours board, through the Department of Transport, for the use of space in the Port Colborne elevator for the purpose of storing and drying Ontario wheat. I would urge upon the Minister of Agriculture the desirability of using his good offices to assist the Ontario wheat producers marketing board in reaching a satisfactory arrangement with the national harbours board and the Department of Transport with regard to this necessary storage space.

Another point I should like to raise is in connection with the farm loan corporation. I suggest that careful consideration be given to extending the provisions of the legislation so that loans may be made by the farm credit corporation to small or part time farmers. This is a way of life which is becoming more prominent in our Canadian economy. People live on small farms where they are not fully occupied; they take jobs in industry while they continue to live on the farm and enjoy the advantages of rural life. Such loans, if extended to this type of farmer, might require different regulations from those governing loans now being offered by the farm loan corporation. In the interests of our Canadian economy I believe it is advisable to give careful consideration to the extension of loans to small and part-time farmers.

Then again, when the new farm loan act came into effect the deposit which applicants were obliged to make in connection with an application for a farm loan was increased from $10, the amount which formerly applied, to 2 per cent of the value of the loan or $50. Since the value of land and the size of loans have greatly increased, there are few applications which do not call for the full $50 deposit.

This provision acts as a serious brake on the consideration of applications for farm loans. I would recommend that consideration be given to reducing this $50 deposit, which now applies, to the former amount of $10. I submit that the deposit of $10 is enough to prevent nuisance applications having to be considered by farm loan corporation field men, and that the increase to $50 was enough to discourage many people from applying for loans from which they might profit and from which the economy as a whole might reap benefit.

I think that is about all I have to say, Mr. Chairman, with the exception of one point. From time to time representations have been made to the effect that farm labour should be brought under the Unemployment Insurance Act. I suggest to the minister that, in the interests of agriculture, he should use his influence to have this matter given proper consideration. There may be difficulties in the way of bringing farm labour under the Unemployment Insurance Act, but certainly at

the present time the farmers are handicapped when they try to obtain help in the labour market. Labourers are loath to accept farm jobs because they are not covered by unemployment insurance. Because of the high wages prevailing in industry it is difficult enough for farmers to obtain the help they need without this added handicap of trying to hire people when those people know they will not be covered by unemployment insurance.

(Translation):

Mr. Martel: Mr. Chairman, before the first item of the estimates of the Department of Agriculture is carried, I would like to make, as briefly as possible, a few remarks on points of particular interest to my district. I will not repeat the arguments already advanced since the beginning of the discussion on the Department of Agriculture estimates; I will simply raise a few questions of particular concern to my area.

I want to refer the Minister of Agriculture (Mr. Hamilton) to the correspondence exchanged with his predecessor since the request I made here, in committee, at an earlier session, regarding the establishment of an experimental farm in northwestern Quebec.

This matter has been brought up regularly for many years—for over 20 years, I would say.

At one time, we had in our region, near Amos, in a locality known today as La Ferme, the beginning of an experimental farm. But one day, the federal Department of Agriculture decided to transfer quietly this farm to Kapuskasing, in northern Ontario.

Since then, farmers of my district have to go to northern Ontario, that is a distance of 300 miles, to get the results of the research and experiments that are carried on at the federal experimental farm of Kapuskasing.

It is generally recognized today in our region—the minister can readily confirm this with his officials—that the experimental farm which serves that part of the country and which is situated in Kapuskasing, Ontario, covers a very large territory between Hearst, Ontario, and Senneterre, Quebec. So, it covers a good part of the Chapleau constituency that I have the honour to represent in this house.

This territory is about 400 miles long in an east-west direction and 200 miles wide in a north-south direction. It is more than a territory; we could even say it is a province.

[Mr. Thomas.]

According to the information I could get from the people concerned and especially from the U.C.C. of the diocese of Amos, several requests have been made in this connection.

The U.C.C. has sent me a copy of a resolution that was passed at a meeting of delegates from 40 branches of the federation of the U.C.C. of the diocese of Amos, which reads as follows:

> Because of our needs and further to the wishes repeatedly expressed at our recent conventions, the officials of the Amos U.C.C. federation urge you to do your utmost to establish in the northwestern part of Quebec an experimental farm that would meet our needs and would be situated in the centre of our region.

I have described the territory which is served by the Kapuskasing experimental farm. May I add that the farms of that region, of which there are about 11,000, are spread on an area of one and a quarter million acres and are occupied by northwestern Quebec farmers of my region. In fact, a great many of them live in my constituency.

This figure of 11,000 farms distributed over one million and a quarter acres is four times higher than that of the corresponding area of northwestern Ontario, where the Kapuskasing experimental farm is situated.

Furthermore, I should like to add that the rapid development of the mining industry will affect, in future, that of agriculture proper. In this connection, I should like to digress a moment to mention the forthcoming opening of new mining districts in the Mattagami lake area where, precisely, the federal government will build a railway line in the course of the next two years; thanks to that new territory, it will be possible to open up a new agricultural area in the immediate basin of the Allard river, about which a fine future is predicted from the agricultural standpoint, since it is one of the most promising agricultural districts not yet developed in our area; I would even say that it is one of the rare districts not yet developed in the province of Quebec where agricultural possibilities are immense.

So, with the development of the mining industry to the north, northeast and east of Abitibi, there is no doubt that agriculture will continue to progress in our area. This means that the most important agricultural part of our territory is in northwestern Quebec, at about 300 miles from Kapuskasing. That, you can imagine, presents some inconvenience

both for the personnel of the Department of Agriculture, stationed in Kapuskasing, and for the farmers and agronomists of my area who have to get there to obtain information about agriculture or research being made at that experimental farm.

The agricultural research work of the personnel of the federal Department of Agriculture in that area is enormously handicapped by that distance, since not only does that staff have to cover that enormous distance to carry out their work and observe it results, but also distance makes it difficult for those officials to have direct contact with farmers of my area; consequently, the efficiency of their work is curtailed by the loss of time incurred in covering that distance.

It is the same for the agronomists of our area who have to cover such a distance if they want to keep up to date and study their various problems on the spot at Kapuskasing, and observe the results to the benefit of the agricultural class.

I wish to make these remarks, Mr. Chairman, before this item carries, on account of its importance for the farmers of the area and on account of the representations made several times by the representatives of the farmers' catholic union of the diocese of Amos.

I am not asking, of course, for the closing of the Kapuskasing experimental farm; far from that—I would not even think of such a thing—but in view of the geographical situation of the immense territory to be served by that experimental farm, it is my duty to ask for an experimental farm for the Abitibi area, which will look, at the same time, after the northern part of the constituency of Temiscamingue. However, I presume that if such a decision were taken, it would be wise, before selecting a definite site, to consult the people most concerned, that is to say the farmers of the area as well as the local farm associations I mentioned a moment ago, namely the farmers' catholic union.

Now, before resuming my seat, there is another point I should like to mention. It is about the setting up of a regional slaughterhouse to serve the farmers of Abitibi and Temiscamingue. That matter has been under consideration for several years, and most particularly these last few years. Studies have been undertaken in this connection both by the farmers themselves and by the chambers of commerce in order to prove to the provincial government the advisability of setting up a slaughterhouse in that area, which would help the marketing of beef products obtained from cattle which could easily be bred in our area. Such a regional slaughterhouse would provide a proper market or a natural outlet for the marketing of cattle and other livestock which could be bred in the Abitibi area. That part of the province of Quebec is progressively developing and its possibilities are immense.

I realize that the decision to set up a slaughterhouse in that district must be taken by the provincial government. But already, unofficially, as was suggested by the slaughterhouse committee organized in my area, the city of Rouyn has been selected as the site of that slaughterhouse. Of course, as far as I know, no official decision has yet been taken by the provincial government nor by the Department of Agriculture, although the provincial members of my area have already anounced the selection of that site.

I presume it is in order to draw the attention of the Minister of Agriculture on the subsidies which might be granted under the Cold Storage Act. Therefore, I strongly urge the minister to kindly consider, as he always does, that problem in order that the farmers from the Abitibi area may obtain the subsidies to which they are entitled, in connection with the setting up of that slaughterhouse.

I shall now bring my remarks to a close. I might add, however, with regard to the slaughterhouse, that our farmers could no doubt arrange, as far as possible, to produce in Abitibi the feed needed for their cattle, because if they have to get it from western Canada, for instance—even though this helps to reduce the surplus of western grain—I imagine that breeding costs would increase and accordingly our farmers would make fewer profits.

Therefore I trust, Mr. Chairman, that the department will look favourably into the two suggestions I have just made, namely the establishment of an experimental farm in northwestern Quebec and the construction of a slaughterhouse in our area in the near future with the assistance of the Department of Agriculture.

(Text):

Mr. Baldwin: I intend to take advantage of the latitude allowed during the discussion of this item to deal with several matters of local interest to my own constituency, but first of all I feel I must take exception to the statement by the hon. member for Burnaby-Coquitlam when he suggested that this government had in the main restricted its agricultural legislation to those farmers in Canada who are wheat growers. That is far from being the case, and I am greatly surprised at the statement made by the hon. member. That statement can be explained

only by the fact, as he admitted, that he comes from an industrial riding and therefore cannot have information available to him which is available to those of us who come from more versatile agricultural districts.

I think all hon. members recognize that the facts are otherwise. One has only to look at the titles of the statutes which this government has passed in connection with agriculture since it came into power in 1957 to realize that they cover a very broad field. I have here a book which is frequently quoted by members of the opposition when they find that their own sources of information are more unreliable than usual. They turn frequently to this little pamphlet "The Record Speaks", and I am glad to see they recognize true facts when they see them.

This little pamphlet makes it obvious that help for wheat growers is only one of a wide variety of subjects with which this government has concerned itself. Consider the Agricultural Stabilization Act. The very names of the commodities brought under support in connection with that measure speak for themselves. There are nine items, and only one of them is wheat. Then again, anyone who has had experience with the excellent work that is being done by officials of the farm credit corporation will realize that those officials are going above and beyond the call of duty in attempting to round out the farming operations of those who come to them for assistance, particularly those taking advantage of the provision which deals with supervised loans. A notable effort is being made by those officials to make the farming operations of these people more versatile and economic. Certainly in my constituency I know that people who have applied for assistance under that act are being advised, where that is deemed feasible and proper, to round out their farming operations and not restrict them merely to the growing of wheat, in order that there may be several prongs of economic support. Then again, the acreage payments are in themselves a firm indication that this government has not concerned itself with the wheat farmers alone but with all the farmers of Canada.

The amendments which were made two years ago to the Prairie Farm Assistance Act made provision for using grains other than wheat as a yardstick in reaching a decision as to whether or not a particular area should be entitled to assistance under that act. Then, finally, there is what I would call the crowning jewel of the diadem of agricultural assistance, the rural development act which is now before the house for second reading.

That is a brief list of some of the enactments brought in by this government, and it is sufficient to indicate that attention has not been entirely restricted to wheat farmers. I think it indicates a recognition by this government that the problems of agriculture are of long standing in their nature and in time. They are ailments which, like certain ailments of the body, require deep rooted and fundamental changes. That has been the difficulty in the past; we have seen only dilatory, temporary and short term attempts to deal with effects, and no attempt at all to deal with causes. This government has recognized that there are causes responsible for present difficulties, and it has directed its attention to those causes. I am convinced, as are those who live in the agricultural districts of Canada, that, given time, the cures which this government is putting into effect one by one will be efficacious.

I noticed that when the minister was speaking on the rural development act he mentioned that the provisions of the Prairie Farm Rehabilitation Act were to be made applicable to all parts of western Canada. In particular he mentioned the Peace River district. I was very glad to hear him say that, because this is something which all the farmers in my district will be glad to see. I am sure the hon. member for Cariboo, who has joined his efforts to mine in an attempt to make those provisions applicable to the northern part of Alberta and British Columbia, was also pleased to hear that statement by the minister.

Perhaps the hon. gentleman will be good enough to advise me before the discussion of these estimates is completed whether it is correct that it is not necessary to bring in an amendment to the Prairie Farm Rehabilitation Act in order to make the provisions of that act applicable to other parts of Canada, but that the same result may be achieved by regulation or order in council. I hope this will be done and that suitable publicity will be given to this action, because I believe there are people in my own constituency as well as in other parts of the north who would very much like to take advantage of the provisions of that legislation this year.

I wish also to associate myself with the remarks made by the hon. member for Jasper-Edson some time ago with regard to the Prairie Farm Assistance Act. The provisions of this act have been made far more flexible and useful. I think we can almost say, in fact, that within the four corners of legislation of this kind we have gone probably as far as we can go without actually making it applicable on an individual basis. From an examination of this act and the way in which it was conceived and has been changed and amended I do not think it would be possible

for us to make it applicable on an individual basis. But, with that limitation, it has been very useful. The changes have been most effective, and I am sure the people in my constituency would wish me to compliment the government on having made these changes and on the way in which they have been administered.

Recently I noticed that the legislature of the province of Alberta saw fit, in dealing with agricultural matters, to pass a resolution suggesting that the government should embark upon a two-price system in this country. Without in any way commenting upon that, I would think it would be more in the interests of the people of Alberta if the government of that province were to take steps to implement the provisions of the Crop Insurance Act, which they are entitled to do, by passing complementary legislation in the province of Alberta.

The province of Manitoba did a noble job last year in connection with the two or three trial areas. I understand they are going to amplify it this year. I do believe—although I may be wrong in this—that the province of Saskatchewan has passed enabling legislation, but thus far the province of Alberta has seen fit not to recognize in any way that they can, if they wish, take advantage of this federal legislation. I am suggesting that, instead of passing resolutions dealing with subjects which are beyond their competence, they might be better advised to do something which will be of some use to the people of the province of Alberta.

I wish to compliment the personnel and the officials of the department in connection with a most useful service performed by the two experimental farms in the Peace river country. One of these farms is situated in the Fort Vermilion area, some 500 to 600 miles north of the city of Edmonton, in the centre of a tremendous area of unexploited agricultural land. I suppose that at this time none of us knows to what extent in the future the people of the world may require the production from lands not being used at the present time for agricultural purposes. All we can do is to make a guess; but the valuable service which these people are performing in testing and assessing the merits of the different soils and finding out what crops can be grown there has been a great benefit to the people of the north.

I would suggest that when the minister examines the estimates of his department from time to time that he make certain that these people have every opportunity to pursue the very useful work in which they are now engaged. I say the same thing with regard to the experimental farm at Beaver Lodge. As a result of the work done there these people have made available to the farmers of the Peace river country fescue grasses and grains which can be grown in our country. This has enabled many of our farmers to branch out, to diversify, to get out of cereals into the type of agricultural production for which the world has need, for which there is a market and which can be sold for cash. I hope that these people will not be forgotten but will be permitted to continue their experiments.

Finally, Mr. Chairman, I want to deal briefly with another point raised by the hon. member for Jasper-Edson. I refer to the basis on which acreage payments have been made over the last year. At first blush I think we can say the government was wise to take advantage of existing machinery. The statistical information gathered together by the officials of the Canadian wheat board for the purpose of issuing grain permit books, in large part, gives all the facts and information necessary on which to base those payments. I think the government was wise to do that rather than to embark up on the setting up of expensive and extensive machinery and personnel to go out and gather the facts required to make those payments.

It has been found in the past that where payments of this kind have been made the cost of administration was excessively high. Certainly that has not been the case in so far as the acreage payments are concerned. Nevertheless, I think we should remember that the statistical information gathered up and brought together by the officials and the agents of the wheat board is for the purpose of a specific act, namely the Canadian Wheat Board Act, and will not necessarily suit the purposes in all respects in so far as the making of acreage payments is concerned. I am afraid that this is what has happened in several instances.

I realize it is utterly impossible in any kind of remedial legislation to provide 100 per cent relief and benefit to all people who are entitled to it. There will always be a few left out on the fringes. This is something we have to accept as basic, but I do feel that there could have been more flexibility in connection with the administration of the payments even with the information which was available. I have three particular types of cases up in my district, particularly in the areas more remote from railhead.

Sometimes the farmers will feed as much grain as possible and by the time their feeding operations are concluded they find it simply does not pay them to haul what grain is left a distance of 200 or 300 miles to the elevator at Grimshaw, which is the nearest point to which they have access. Consequently, in most instances they do not

bother to apply for grain permit books. When the announcement was made, as it was in this case, that those payments were available up there, they were unable to take advantage of the legislation and obtain payments which other farmers in the country were able to get.

Sometimes a farmer has a poor crop which does not justify his applying for and obtaining a grain permit book. Because of the provisions of the Prairie Farm Assistance Act it may happen that they cannot obtain the compensation and benefit which the act makes available to them. They also are left out.

Finally, we have the farmers who grow grasses and oilseeds. I am thinking particularly of rapeseed. We have a great many farmers who have gone in for the growing of rapeseed in our part of the country. When they apply for grain permit books they are told they are not eligible. I am inclined to think that the officials of the wheat board have been too rigid in their interpretation of the legislation. Their interpretation is not altogether acceptable. I want to call to the attention of the minister to section 2, which is the interpretation section, of the Canadian Wheat Board Act. Section 2(1)(a) reads as follows:

"Actual producer" means a producer actually engaged in the production of grain.

I call the minister's attention to the fact that it does not necessarily say "engaged in the production of grain in the particular year in respect of which the grain permit book was applied for".

Second, the interpretation of "grain" is quite significant. The word "grain" is defined as follows:

(e) "Grain" includes wheat, oats, barley, rye and flaxseed.

I emphasize the word "includes" there because I think it is not a restricting word. Elsewhere throughout the interpretation sections of this act and in other legislation we find that the word "means" is used. For example, "elevator" is defined as follows:

(d) "Elevator" means a grain elevator, warehouse or mill—

There is a distinction between the use of the word "includes" and the word "means". When the word "means" is used it is restrictive, and you cannot go outside of it. I submit with all respect that when the word "includes" is used in the act for the purpose of making these acreage payments it could include rapeseed, for example, and the officials should have been more flexible and a little more liberal—I use "liberal" with a small "l", Mr. Chairman—and they should have permitted people within the three categories I have mentioned to become entitled to the acreage payments.

I trust that the minister will pay some heed to these words and that reasonable consideration will be given to those who are still engaged in the process of making application. I know there are several hundred in my constituency who feel they have not obtained a reasonable application of the provisions of this scheme and they would like to be given consideration.

Mr. Southam: Mr. Chairman, before item No. 1 of the estimates of the Department of Agriculture carries I should like hon. members to bear with me for a few moments while I make some observations about agriculture. As hon. members know, I come from a riding in southeastern Saskatchewan which is basically agricultural. I had hoped to make some of these observations in a previous debate but sickness in my family prevented me.

Before continuing I should like to take this opportunity to congratulate the new Minister of Agriculture. His riding adjoins the riding of Moose Mountain on the north, and during the five years that he was the leader of our party in Saskatchewan he spent a great deal of time doing research into agriculture and its economic aspects not only with respect to Saskatchewan but Canada as a whole. Therefore his assignment to this portfolio afforded me a great deal of pleasure. I am sure we can all look forward to great achievements in this department as he continues to hold this office. I should also like to congratulate his parliamentary secretary, the hon. member for Provencher. I am sure that his wisdom and knowledge so far as agriculture is concerned will mean that we can look forward to a great contribution in this field from him.

In listening to the comments of other hon. members in the house from time to time it has come to my attention that apparently there is still a lack of appreciation of what the government has done for agriculture in the over-all picture. In order to summarize the situation I should like to refer to a few statistics and thus emphasize my observations in this respect. For the three years prior to the present government taking office, the following were the figures for the agricultural estimates. In the year 1954-55 the total figure was $88,310,304, in the year 1955-56, $93,881,452, and in the year 1956-57, $90,068,594, or a total for those three years of $272,260,350. The comparative figures for the three years after the present government took office are as follows. In the year 1957-58 this government pumped into agriculture

$143,109,180.50, in the year 1958-59, $222,-173,607.75, and in the year 1959-60, $191,626,-946, or a total of $556,909,734.25 for those three years. That was the total compared with a total of $272,260,350 for the previous three years, or more than twice as much money. Simple as they are, I think these figures point up the fact that the government is taking a very practical and active part in doing something for agriculture.

Mr. Regier: Would the hon. member care to say where he got those figures?

Mr. Southam: They are taken from the estimates of the Department of Agriculture for the years in question. I should also like to add that the total figure I have given does not include approximately $58 million allocated to agriculture under the stabilization act which was enacted by the present government to assist agriculture.

In appraising the agricultural situation I was very interested in reading an article on the front page of the *Western Producer,* a representative farm paper published in Saskatchewan. I refer to the issue of Thursday, March 16, 1961. In this paper there is a headline which reads as follows: "Farmers' net income rises about 12 per cent in 1960". I am not implying that the government has done everything I should like to see done as far as agriculture is concerned but I should like to impress on hon. members and the public at large the net result of the agricultural legislation that we have been able to apply. The article elaborates on the headline in these words:

> Total net income of Canadian farmers last year rose 12 per cent above a year earlier, reaching an estimated $1,352,200,000, the dominion bureau of statistics reported last week. The total was up 6.5 per cent from the five-year (1955-59) average of $1,270,100,000, the bureau said in its annual advance preliminary estimates. Quebec, Manitoba and Alberta were down in net income. British Columbia showed a slight increase. Saskatchewan had the sharpest increase—more than $100 million at $354,373,000.
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> Cash income in 1960 from the sale of farm products was only slightly below the 1959 level. On a commodity basis, the more important reductions were recorded for barley, flaxseed and hogs, while the more important gains were registered for potatoes, tobacco, cattle and calves. There was also a substantial increase in cash advances in farm stored grains in western Canada.
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> Supplementary payments to farmers in western Canada in 1960 amounted to $77 million and included payments made under the provisions of the Prairie Farm Assistance Act, the western grain producers' acreage payment plan and the federal-provincial emergency unthreshed grain assistance policy. This is in contrast to 1959 when farmers received $22 million, most of which was received under the provisions of the Prairie Farm Assistance Act.

Mr. Boulanger: May I ask the hon. member a question? Is there an increase for the province of Quebec?

Mr. Southam: The article says that Quebec, Manitoba and Alberta were down but British Columbia showed a slight increase. The situation varies, of course, from year to year depending on the type of crop. Last year Saskatchewan was fortunate in having an increase of $100 million which resulted from the very large wheat crop. These variations in income depend a lot on the vicissitudes of nature but the over-all picture is very bright. As I pointed out, however, the over-all increase was about 12 per cent in 1960. This is due in large part to the program of the government and I think we should remind ourselves of this program and discuss it—possibly by criticizing it in a constructive and practical way—so that we can improve it.

I was very interested in the remarks of the hon. member for Peace River who referred to certain observations that the hon. member for Jasper-Edson had made about cash advances. This was one of the first pieces of legislation enacted by the government and in making a survey of my riding last fall I found that the farmers in that part of Saskatchewan had utilized this legislation very effectively. In fact, rural municipal secretaries and elevator agents who are involved in handling this type of payment told me that about twice as many farmers were availing themselves of this legislation, and from talking to municipal secretaries I learned that tax collections were considerably above those of preceding years. I questioned them about the reasons for this and they gave the credit to the cash advances legislation, so that this is one of the most effective and practical pieces of legislation that the government has implemented.

The hon. member for Peace River referred to the farm credit corporation, as did the hon. member for Middlesex East. This has been a most effective piece of legislation and it has been widely utilized by farmers all over the west. Because of the changes that are taking place there was need for a more flexible credit program in order to help to develop more economic farming units.

I should like to associate myself with the remarks made this afternoon by the hon. member for Middlesex West. I feel consideration should be given to a reduction in the cost of the initial application for an appraisal. The charge at the moment is $50, and the former assessment was $10, which I believe was too small. I believe we would have a flood of applications to be handled by an already overworked department if the charge made were too small. In my opinion a more realistic price to charge for the initial application would be $25, and in this way we would

get as many people as possible to take advantage of this flexible plan without any undue abuse.

In so far as crop insurance is concerned, I believe it has played a very effective part in our agriculture economy, especially in Manitoba. I have been disappointed, however, at the indifferent attitude displayed by our C.C.F. government in Saskatchewan with regard to this crop insurance plan. I do not know what we can do to rectify the situation unless we change the government. I believe the royal commission headed by Professor Baker indicated very strongly that a crop insurance plan should be instituted for the whole of Canada. Particular reference was made by this commission to the need for such a plan in Saskatchewan. I have been disappointed, therefore, to find that the province which is most in need of a crop insurance plan has been the most reluctant to enter the plan. I do not know the reason for this reluctance unless there is some political expediency involved. I wonder why Saskatchewan could not set up a plan similar to the one which has been working so effectively in Manitoba?

I should like to see the provincial governments take a more practical view of these crop insurance plans. As we know, the federal government contributes half of the administration costs of the plan as well as 20 per cent of the premium. Perhaps the provincial governments, and especially Saskatchewan, could see their way clear to contributing another 20 per cent of the premium, and in this way the legislation would become very effective. A province like Saskatchewan is particularly susceptible to the vicissitudes of nature. This province is about an equal distance from the two oceans, the Pacific and the Atlantic, and as a result is sometimes the most arid region of Canada. Therefore, the need for this type of protection in this area is great.

I find that most of the agriculturists in my riding have been very pleased with this agricultural rehabilitation and development act, an outline of which was presented recently by the minister. On August 30, 1958, as recorded at page 4347 of *Hansard*, the Prime Minister summed up our national agricultural policy, and the fifth point was as follows:

> Fifth, as a means of meeting the small farm problem the government has under consideration ways and means of improving the level of living for farmers on small farms by means of better land use, encouraging the formation of economic family farm units, improving technical training, extending unemployment insurance benefits to certain classes of farm workers, and by extending the vocational and technical training agreement for the benefit of those who wish to enter new occupations.

This is a long term program and we will have to wait a number of years before we feel the full impact of it. In looking at the *Ulster Commentary*, dated January, 1961, I find that the minister of agriculture for Northern Ireland, Mr. H. W. West, indicates that Northern Ireland has adopted the same type of developmental policy. I should like to quote this short paragraph from the minister's statement:

> The other source of satisfaction is the development of afforestation which is making tremendous strides, particularly in areas where there is little hope of attaining a good return from the land by other methods. At present some 5,000 acres are being planted annually and it is hoped that within 25 years some 5 per cent of the land area will be covered by forest as against less than 1 per cent in 1945.

I quote this paragraph to ilustrate that Canadian federal governments—and this government in particular—are not the only governments interested in this type of policy.

As the hon. member for Peace River has said, the P.F.R.A. and P.F.A.A. have been amended since this government came to power. These amended pieces of legislation have proven very effective, and there has been a lot of favourable comment from the farmers of my area who are interested in water conservation. The amendment of P.F.R.A. to increase grants for dugouts from $125 to $250 and for small dams from $300 to $600 has proven very beneficial, and a great number of farmers in Saskatchewan have reacted most favourably.

In addition, we have heard a great deal of favourable comment on the aggressive sales program of our government in respect of farm products. I am thinking now particularly of wheat. The recent sales to China, to Russia and Czechoslovakia are going to increase our total sales to well over 300 million bushels, the amount the minister suggested as the approximate total sales this year. There are suggestions that we may surpass this target, and this brings a great deal of satisfaction to the people of Saskatchewan who have these large carryovers of wheat and who are looking forward to the results of this aggressive sales program launched by the Minister of Trade and Commerce, the Minister of Agriculture and the wheat board which has been working in conjunction with them.

In speaking of a sales policy and its relationship to free trade, I may say that I was interested to notice an article in the *Star-Phoenix* of March 18 which referred to a statement by Premier Douglas in the Saskatchewan legislature. He was expressing his views on the thinking of the people in the west with regard to free trade. It was very

interesting to see the change in attitude, and I should like to quote this part of his statement:

—free trade alone will not solve farm problems, because farmers would be competing with their products on the open market and would be buying things they need on a controlled or subsidized market.

The article continues:

"We are facing a difficult and unique situation in the agricultural economy," he said.

Trying to meet the current problems by seeking to regain policies of the past would not work.

The concept of free trade is out of date, he said. The world is moving towards trading areas and trading blocs and the trend will continue in this direction.

I quote this statement because it does indicate a change in the thinking of some western people with regard to the sale of products.

I should like too see encouragement given to a more realistic approach on the part of our dairy industry in Canada with regard to the mounting butter surplus. This is something which I believe disturbs most of us. Butter production is a very important income producer for our farmers, particularly in eastern Canada. I think there is a trend on the part of the general public toward greater consumption of vegetable oils and an indifference toward butter consumption. This indicates we should take a very serious look at the problem before we find ourselves in a serious situation. Perhaps we could encourage the dairy industry to be a little more aggressive in their sales efforts in this product.

In studying some of the statistics relating to the consumption of butter on a per capita and regional basis, I find that there has been a large decrease in butter consumption in the areas in which the greatest increase in butter production has taken place. This would indicate that many of the dairy farmers themselves have decreased the consumption of their own products and have increased their consumption of vegetable oils. To me this does not seem to be fair, particularly when organized agriculture in this particular facet comes to the government and asks for subsidies in order to help to keep them in butter production. I think they themselves should take a more realistic approach to this situation.

Considering the basic importance of milk as a food, having regard to the health and welfare of our population, I think we could do something to encourage greater consumption of milk among the populace, especially among the younger generation. Possibly milk could be made available to all school children at least of public school age. I also think we should encourage the dairy industry to enrich their milk up to a minimum of about 3½ per cent butterfat rather than have it go through the skimming process which it now goes through, as a result of which it ends up with a larger amount of butterfat that has to be disposed of by other means. I think this is something at which we could take a serious look.

With respect to the stabilization act as it affects two of our basic commodities, namely eggs and pork, may I say this. I am quite in agreement with the switch-over to controlled production, limiting the payment to 100 hogs and, with regard to egg production, on the basis of a flock of 500 hens. However, if we are going to apply this type of legislation, I think it would be more effective if we were to pay this deficiency payment on a semi annual basis rather than on the annual basis that we are now contemplating. Having regard to the nature of the products involved, I think this procedure would be practicable. It would mean a little bit more administrative work on the part of the department but I think it would result in a fair application of the taxpayers' money with regard to agriculture.

As to the problem of farm labour I should like to make a few observations. I agree with other hon. members who have spoken previously that our government, working through the Department of Labour and the Department of Agriculture, should bring in some type of unemployment insurance plan for agricultural workers. I think this is something that is more necessary now than it was in former years. With the trend towards the larger economic unit, the large investment in machinery and the large over-all capital investment in land, we find quite a number of people who are making changes from one location to another and would still like to stay on the farm but possibly have not the required capital or do not want to invest large amounts of capital in order to be the owners themselves. However, they would like to be assistants or farm labourers and work on some of the larger farms. As a result, in order to cover this type of seasonal unemployment, I think it is more necessary than ever to have us take a serious look at this matter of bringing farm labour under the Unemployment Insurance Act. We find now quite a number of our more progressive farmers who are doing a good job and who are more or less self-sufficient with regard to capital machinery and so on but who find themselves quite embarrassed or having quite a problem in the fall with regard to getting adequate help to take off their crops and to assist them with their agricultural industry. I feel that this is a question we should examine seriously as soon as possible.

I should like to see our government continue the acreage bonus payments. I think this has been one of the fairest applications of government help for the purpose of meeting the cost-price squeeze that we know exists in the farming industry. It has been greatly appreciated by the farmers in my riding. There may have to be some modifications as to the administration of it so that any particular discrepancies we find now existing could be removed. But in lieu of a straight domestic two-price system which I have advocated on a previous occasion, I think this is a very effective piece of legislation and that it should be continued.

There is one other problem that affects my particular area of Saskatchewan. It has been referred to by others and I have referred to it myself previously. I have reference to the invasion of the boundary areas of Canada by United States farmers from the Dakotas and Montana. I am personally at a loss to know what is the answer to this particular problem. I think it will bear study by several departments—possibly the Department of National Revenue, the Department of Citizenship and Immigration and the Department of Agriculture—in order to see what steps may be taken to make sure that these people coming into Canada would take a more serious part in the economy of the particular areas into which they come. We find that this invasion by United States' farmers has been the result of the agricultural policy in the United States of subsidizing the farmers there through the soil bank, taking large areas out of wheat production and putting them into grass. We find that these farmers in the Dakotas and in Montana, being good farmers and having large amounts invested in machinery, hate to see it lying around idle. Immediately they look for some area where they can put their machinery, ingenuity and so on to work again and get back into agriculture. They therefore migrate across into Canada and either lease or purchase land. In most cases they lease it because they feel that their own agricultural policy at home may be only temporary. They lease large amounts of Canadian farm land that some of our own Saskatchewan and Canadian farmers themselves would be greatly interested in either buying or leasing. In other words, with the capital they have available from the soil bank they are providing fairly strong competition. In some cases it is increasing the value of the land. In a few cases the Canadian farmers feel that it is making it almost prohibitive for them to compete.

The situation has a few other interesting aspects. One is that in many cases the Americans who are coming over here are producing registered seed and are taking it back across the line with them to sell. This is something which does not aggravate the over-all wheat surplus particularly. In other cases municipal authorities, where some of this marginal area land has been put back into production, find that their tax revenues are up. But by and large quite an opposition is being developed on the part of our Canadian farmers. In order to stay in the agricultural industry those farmers who want to fit into this agrarian change to the larger economic unit especially those who have sons, feel that they should have access to this Canadian farm land rather than that it should be taken by groups coming in from the south.

As I say, I am not just too sure what the answer is to the problem, but I think several departments of government could give it very serious consideration. If our American friends should come in—and we naturally call them our American friends because we work with them on a very friendly basis apart from this matter—I personally feel that they should be encouraged possibly to come in here as landed immigrants and become permanent residents if they are going to take over this land in competition with our Canadian farmers.

In my closing remarks I should just like to say this with regard to wheat quotas. I have watched them fairly closely in our part of Saskatchewan. It happens that geographically we are about equidistant from the port of Churchill, the Pacific coast and the great lakes. When there is a demand for a certain type of grain from European countries I find that the wheat board themselves, in order to meet this demand quickly, have reached out and have drawn the grain from the closest areas adjacent to some of these ports. As a result there has been a big rectangular area, which includes my riding and some areas to the north and west, that has not had its fair share of the quota allocations. I should just like to mention this matter again. It is, of course, a matter of wheat board supervision of quotas. However, I think it is something that should be watched very closely.

We find that our farm population are very jealous with regard to their rights to equal distribution of these quotas, and rightfully so. As you know, Mr. Chairman, we get a quota of only up to about six bushels or seven bushels annually. In many cases, this does not take a great deal of the grain out of the area. As a result, in order to meet the demand of the agricultural economy now, our population in these areas wish to see that these quotas are watched closely.

With these remarks I shall conclude for the moment my observations on the agricultural estimates.

Mr. Regier: Mr. Chairman, I was very interested in the remarks of the previous speaker. I noted that at the opening of his remarks he was rather political in what he had to say. He regretted—and I use his own words—that the Saskatchewan government appeared most reluctant to co-operate in the legislation dealing with crop insurance. He also announced with considerable flourish that in Manitoba this was working very effectively indeed.

I believe that no province has yet had any experience with crop insurance and I do not completely appreciate how he can depreciate his own province in comparison with another when we consider that no province has yet had any real experience with crop insurance.

As I understand it, the Saskatchewan government is most reluctant regarding this scheme because of the heavy costs that have to be borne by the provincial government and the individual farmers concerned. In my opinion Saskatchewan is doing nothing less than its duty, and that is to protect the interests of the provincial treasury and the interests of the individual farmers concerned.

The hon. member for Moose Jaw-Lake Centre also expressed the opinion that those engaged in agriculture in his constituency were very, very pleased—and these were his words—with existing legislation in connection with agriculture. I believe the hon. member should get outside the bounds of the city of Moose Jaw and visit a number of farmers in his riding. I believe that if he talked to the rank and file of the farmers of his riding he would feel that they were anything but very, very pleased with legislation concerning agricultural matters as it affects them.

Before we carry item 1, which is the main item and involves the salary of the minister, I should like the minister to explain to the committee and the nation why we cannot have parity prices for Canadian agriculture. Why cannot Canadian farmers who are producing those things that are consumed within Canada have the same rights as organized labour to sit across the bargaining table, perhaps with the Canadian association of consumers and the government acting as referee, and determine a price level in order to give them parity of income with all other workers of our nation?

I know this condition prevails wherever Canadian agriculture is adequately organized. This particular condition prevails in most of the major urban areas of Canada for our milk producers who market in those areas. We have milk boards in most of the major cities of Canada; we have milk boards in most of the provinces of Canada, and when the milk producers feel they are not getting a fair deal they argue their case of rising costs or otherwise before the milk board and obtain a certain degree of equity.

Why cannot all segments of agriculture be organized in a similar way? What is the government going to do in order to help other segments of Canadian agriculture obtain at least the limited amount of equity that Canadian producers of fluid milk in the urban markets have obtained for themselves in most of our major metropolitan areas?

Our wheat farmers have a long history in this connection. I believe their history is some 80 years in length; 80 long years of organization, fighting and bitter struggle. Our wheat farmers have at least obtained orderly marketing in Canada. Why cannot other agricultural producers obtain an equal amount of equity? Why can we not have parity prices for those products that are consumed within Canada, and deficiency payments for those products that must be exported?

I see nothing wrong with the two price system for wheat. I see nothing wrong with Canadian producers of wheat being granted equity in connection with wheat consumed within Canada, and in order to give them parity of income why should they not be granted deficiency payments because of the fact that world prices may be lower than called for by parity of income calls?

I hope the minister will explain why the government has deserted and, I regret to say, persuaded many leading agricultural spokesmen of Canada to desert the basic principle of parity of income for Canadian agriculture. I am heartbroken when I have to attend a meeting of organized agriculture and realize that organized agriculture takes a penny today rather than a pound tomorrow and bows down to political expediency rather than obtaining equity and a fair, square deal. Organized agriculture kowtows to political partisanship rather than insisting on the fundamental and basic rights of the man who tills the soil.

If we can have parity of income for the fluid milk producers of Canada—and I hope we are getting near to having this for the wheat producers of Canada—why can we not have it for the potato grower, for the small fruit grower and the tree fruit grower? Why must potatoes be imported into Canada when we are able to produce potatoes at an economical price? This reflects a lack of planning and of organization. Why should strawberries be dumped on our market to the ruin of our own berry producers?

Mention has been made of the family farm. I indicated earlier my opinion that an efficient family farm is not a farm of 18 acres with a couple of cows, a couple of laying hens, a couple of acres of wheat and a couple of sows. I support the efficient family farm, but this government is doing nothing whatever to support such a farm when it introduces legislation which would support a farm which would have 500 laying hens. The minister knows enough about modern agriculture to realize that an economic family farm unit is not constituted by 500 laying hens. If he limits his guarantees to that, all he is doing is subsidizing the inefficient agricultural producers of Canada and helping to prolong the agony of such farm families. We maintain that the efficient family farm should be a farm unit where husband, wife and family are able to recover their cash outlay plus a reasonable percentage of their investment and, in addition, receive an income on a par with that of the ordinary Canadian citizen. This cannot be accomplished by a policy of curtailing production, and I hope the minister will not follow the example of his predecessor who used to march around the country telling farmers: if you want a fair price you have to produce less. The former minister of agriculture was as ill-advised then as he is now in his new role as an advocate of nuclear weapons. The conception of restricting production in order to maintain prices is an outmoded capitalistic idea which even capitalists will no longer buy. However, the Minister of National Defence, when he was minister of agriculture, bought that concept. What an inhuman and unrealistic attitude that is, and what a typically Tory attitude it represents. The present Minister of Agriculture, unlike his predecessor, is a native of Saskatchewan and I know he has a little bit of the progressive in him. The words "Progressive Conservative" are not entirely inapplicable to him, and I hope he will not pursue the policy of his predecessor and advise all kinds of organizations across the nation that if they want a fair and equitable deal they must produce less, create scarcity, and thereby obtain better returns per unit.

I was very interested in the remarks of the hon. member for Peace River. I should like to remind him that the wheat growers of Canada are organized. Even though I sometimes may have to disagree with what they advocate, they have come a long way over many long years. They have made sacrifices, and other branches of Canadian agriculture have not even begun to realize the potentialities of organization. I hope the minister will supply some leadership to these other branches of agriculture in order to help them to help themselves to get a fair deal. We have often heard of lobbying legislators. I know of no group in all Canadian history, outside the investment dealers, the Canadian chamber of commerce and the Canadian Manufacturers' Association, who have lobbied more effectively in this House of Commons than have the wheat growers of Canada. I should like to see the day when the onion growers, the potato growers, the tomato growers and the poultry farmers are organized to the point when they can make their unified voices heard, and I hope, as I said, that the minister will supply some leadership so as to enable these people, who together outnumber the wheat growers by far, to obtain equity on the national scene.

Much has been made in speeches of the minister's "trees galore" plan. I admire the plan. I think it is wonderful. I think it is good. However, it will do very little to help the farmers of Canada in either the minister's lifetime or my own. This is a long range program which the minister is advocating and there are matters of much greater urgency to be attended to now.

The hon. member for Moose Mountain had some good words to say about the minister but his words of praise also included the minister's parliamentary secretary, the hon. member for Provencher and that, I think, was an error. The hon. member for Provencher, as I understand it, is in favour of the factory farm. We in this group and I think I can speak for my colleagues—are in favour of the family farm as opposed to the factory farm.

The hon. member also mentioned the problem of unemployment insurance for farm workers. I agree that they should be covered by unemployment insurance. However, what is basically needed is to give to the farmers an adequate income so that they can afford to pay a proper wage to their help. If they can pay an adequate wage they will be able to get the help. I realize the farmer is unable to do so because he does not get fair treatment. He is unable to pay the wages that industrial firms are able to pay, and therefore very often is unable to get the help he needs. Unemployment insurance will not provide the answer even though it ought to be introduced and made applicable to farm workers. But that is not the real problem; the real problem is to give the farmer enough net income so that he can pay his employees a wage which would make the position attractive and the wages comparable to those which are paid in industry today.

Mr. Pitman: Before the item carries I would like to ask the minister a question. Is the federal government planning to introduce legislation which will permit the federal government to co-operate with the provinces to

pay compensation to farmers whose animals are destroyed because of rabies? I understand that some time ago there was an outbreak of rabies in various provinces in Canada and by order in council compensation was paid on the basis of the federal, provincial and municipal governments co-operating. Since then in my own particular area one or two animals have died and no compensation has been forthcoming. It seems to me, Mr. Chairman, that this is unjust. Simply because no epidemic is raging at the particular time certain people suffer losses, they should not be denied compensation. Farmers are quite co-operative with the federal Department of Agriculture. Indeed, they are quite enthusiastic about the help they receive. I think it would build up confidence on the part of the farmers if such legislation were forthcoming. Will the minister inform the committee in the course of his reply.

Mr. Pickersgill: Before the item carries, and since I do not think it would be appropriate on any other item, I wish to put one or two queries to the minister to give him the opportunity to explain to us what is happening with respect to the view of one correspondent who described the minister as doing political farming. Perhaps I can make my point clear by reading this piece from the Victoria *Daily Times* of January 17, by a very distinguished member of the press gallery, Mr. Tom Gould, which is entitled "Political Farming":

> Agriculture Minister Alvin Hamilton has a decided advantage over opposition critics of the government's farm program. Since taking over the agriculture portfolio, the minister has discovered a way of using the taxpayer's own money to distribute what amounts to political propaganda. The information division of the department has for a number of years been producing a twice-monthly publication entitled "Farm News", that is sent to every newspaper and radio station in Canada. In the past, ministers left it alone. It was a purely departmental publication, dealing in matters of concern to Canada's farming population.
>
> It carried articles on the control of wild oats, on the use of chemical fertilizers, and a wide range of problems studied by the labs and experimental farms operated by the government.
>
> Mr. Hamilton has decided to take advantage of this publication to spread the government's views on agriculture. He made his debut as a columnist in the current issue, on the highly-controversial subject of allowing feed mills to purchase grain directly from producers without first obtaining delivery quotas from the Canadian wheat board.
>
> The column bears his picture, and is titled: "The Minister Reports."
>
> Officials of the information division have been informed that the minister intends providing them with a similar column once a month to start, and may step it up to twice-a-month to make sure he gets in every issue. His first effort takes up one sixth of the print space in the current issue.
>
> It is an out-and-out defence of the government's action in the feed mills controversy, and a denial of the claims made by critics of the action.
>
> People close to Mr. Hamilton say the use of what was a purely departmental information outlet is but one of the first steps towards becoming what the minister describes as "the most political agricultural minister Canada has ever known."
>
> One of his first moves on taking office was to set up a "political file" in his office, something that didn't exist under former minister Doug Harkness, who is now Minister of National Defence.
>
> Mr. Hamilton obviously plans to spend far more time out on the road, convincing farmers they have never had it better, than in sitting in Ottawa running the department. He has made a dozen major policy speeches.
>
> This emphasis on the political aspects of agriculture is readily understandable. The Tories currently have a solid hold on the prairies,—

Well, I think some of us would question that.

> —and they want to retain that hold in the next federal election.

I now turn to the Winnipeg *Free Press* of February 18, and to a report by Mr. Victor Mackie, a respected member of the press gallery, and an exceptionally well-informed one, who seems to be able to get advance information about the reports of royal commissions, who had this to say:

> Agriculture Minister Hamilton is out to build up an efficient, high pressure and extensive public relations and information service for his department. He wants more publicity for his policies.
>
> He has hired on a contract basis an editorial writer from the Toronto *Telegram*, Harry Halliwell, for six months to do the job of rebuilding the agriculture department's publicity agencies.

We all recognize, of course that the Toronto *Telegram* is a leading agriculture journal in an agriculture area of the country, and no doubt that would fit one of their editorial writers specially for this function. I continue:

> Mr. Halliwell has obtained leave of absence from his newspaper.

That would not surprise anybody who is aware of the very close relations, not entirely agricultural, between that newspaper and the government.

Mr. Jones: Mr. Halliwell also used to write for the *Star-Phoenix* in Saskatoon.

Mr. Pickersgill: He may have written for the *Star-Phoenix* in Saskatoon—

Mr. Jones: As an editorial writer.

Mr. Pickersgill: —as an editorial writer, but I do not know that that would necessarily qualify him, any more than would writing for the Toronto *Telegram* as an expert on publicity for the Department of Agriculture. I continue with the quotation:

> Also, at the minister's suggestion, the Canadian wheat board has hired Ralph Hedlin, a free lance writer in Winnipeg, on a contract basis, to act as a part-time public relations man for the board.

I now turn to the Russell *Banner*, published in Russell, Manitoba, a province quite near to the one in which the minister lives. Incidentally, perhaps I ought to correct what I believe was a misstatement by the hon.

member for Burnaby-Coquitlam. I do not believe the minister is a native of Saskatchewan any more than I am. I understand he was born in that little farming settlement of Kenora, Ontario.

Mr. Regier: I saw him there in 1938.

Mr. Pickersgill: He has been in Saskatchewan quite a long time, just as some others who were not actually born on the western prairies have spent a lot of time there. The Russell newspaper, the *Banner*, in its issue of February 23, contained this article under the heading "Selling Mr. Hamilton". I do not suppose it was really suggested that there was any reintroduction of slavery; I suppose they were using the word "selling" in that modern sense of Madison avenue and not in the old-fashioned sense of the Louisiana slave market. I quote:

> Surpluses would soon vanish if the federal minister of agriculture put as much effort into selling farm produce as he does in selling Mr. Hamilton to the public. As though he didn't get enough press releases from various government departments, Mr. Hamilton has hired himself a special editorial writer to build up an efficient, high pressure and extensive public relations and information service. And we in the newspaper field are feeling the effects already, for there is hardly a mail coming in without one or more releases from his information service, which often include a text of one of his speeches. All have that stereotype beginning "Agricultural Minister Alvin Hamilton said today." One would need a fair sized daily to relay all the material to the public. Offhand, we would say that 25 mimeographed pages are received each week and multiply this by some 800 weeklies in Canada, as well as dailies, radio and T.V. stations, and you have a lot of paper. No wonder we all have such big waste paper baskets.

Perhaps that would explain the minister's new policy on planting trees. If this proliferation of press releases is going to continue at the rate that, according to these writers, it has already reached since he became minister, he may feel that the existing crop of spruce trees in the country will not produce enough paper for all his press releases and therefore we must increase the production of wood in order to produce the necessary paper and thereby produce a crop that will not be in surplus.

The minister was not here, of course, but I remember the days when the minister's friends were over here where I am now and there was no theme on which Mr. Drew, the former leader of the party, and other members spent more time than the extravagance of the previous Liberal government in its information services in the various departments. Promises were made in those days that when the Conservatives came into office they would fire all these publicity people, get down to the business of dealing with the problems of the country and let their solution of the problems speak for itself. That does not seem to have been the practice that has been followed in many departments but I do not think there is any department where there has been such a conspicuous increase in the crop as in the minister's department where, notwithstanding some of the other undisposable surpluses, I have no doubt that from the look of things it will not be too long until the biggest agricultural surplus will be the surplus of the minister's press releases and other propaganda of one kind and another. Apart from any harvest of votes the minister expects to get out of these press releases, which is hardly a legitimate expenditure of the funds of the Department of Agriculture, it did seem to me that he should explain to the committee precisely what advantage he thinks the farmers get from seeing his picture in this information bulletin which, according to this story, was formerly a compilation of technical information of one sort and another.

I think he should explain just what justification there is for this proliferation of propaganda and expenditure because it does seem to me that we have enough real problems that should engage the full time and attention of ministers instead of their indulging in this practice of building up huge propaganda machines with the avowed purpose or at any rate the apparent purpose—perhaps the minister would not avow it—of political self-glorification. I felt that perhaps the minister had been so busy issuing these things, so busy making these speeches and had spent so much time on the road that he had not had much time to read the newspapers to see what kind of reception his road show was getting and that perhaps it would be helpful to him if this were drawn to his attention. I may say that these are just a few random samples and I could produce many more if it would not weary the committee and take up time unnecessarily.

I know that the minister should not be expected to give an answer when he replies on item No. 1 with respect to another matter about which I should like him to give the committee some information. However, I felt that I might give the minister notice now so that when the appropriate item is reached—I think the matter will perhaps come under the P.F.R.A. item—he can give us a progress report as to water control on the Fairford river in Manitoba. There was an order in council passed on October 28 last, a copy of which I have in my hand, setting out the basis on which the government of Canada is undertaking this work as part of the over-all flood control program, I understand, in Manitoba.

If I understand the situation correctly, and the minister can correct me immediately if I

am wrong, the control of the Fairford river is being undertaken by his department as an entirely separate project from the proposed Red river flood control which would come under different legislation and presumably under another department. I might say that I have the greatest possible sympathy for this project and I would not want to be misunderstood at all in that regard. I lived within ten miles of lake Manitoba for a very large part of my life, the most impressionable part of it, and it was one of the saddest things to see the lakeside meadows inundated with water year after year and to see, as I saw several years ago, farmers watching their holdings vanish because of the water.

I know this is a very difficult problem. There is a danger that by running down the level in flooded areas of lake Manitoba you may create a problem on lake Winnipeg. I know it has not been easy to work out a scheme that we can be sure will be satisfactory. I always like to give credit for encouraging things when they do happen. I think it is encouraging that a start is being made on this problem and I think there are many people who would like a progress report under the appropriate item.

Mr. Regier: Mr. Chairman, I wonder whether the minister would deem it advisable to reply with respect to why farmers cannot have parity of income with respect to Canadian agricultural products consumed within Canada and why they cannot have deficiency payments on exported agricultural products adequate enough to bring prices into line so that the farmers will have parity of income with all other workers in Canada?

I should like to ask the minister one other question. Since the minister comes from a wheat growing area of Canada, namely, Qu'Appelle-Wolseley, I should like to ask him why it was deemed advisable to appoint a parliamentary secretary who comes from the riding of Provencher in Manitoba which I understand is also largely a wheat growing area. I cannot ask the minister about his appointment but why were all the other types of agricultural production ignored in the appointment of a parliamentary secretary? Why was a balance not obtained within the department? Why was an onion farmer from Ontario, a tomato grower from the interior of British Columbia, a dairy farmer from Quebec or even a florist from Nova Scotia not appointed to this office? Why did the government decide that the minister and the parliamentary secretary should represent in the main the wheat farmers of our nation?

The Acting Chairman (Mr. McGee): Shall item No. 1 carry?

Mr. Regier: No. I think the minister would like to tell us why Canadian farmers are not entitled to parity of income.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, one reason why I was reluctant to speak was the fact that any reasonably intelligent person listening to the hon. member for Burnaby-Coquitlam would say that the kindest thing that could be said to the hon. member is that he should have kept quiet because never have we heard such a hodgepodge of contrary views and confused economics in the history of this chamber. I have always felt that those responsible for agriculture have the responsibility of letting the people know some of the facts concerning their industry.

Now, I am not going to deal with all the points raised by the hon. member for Burnaby-Coquitlam because, quite frankly and honestly, I wish the hon. member would read his speech and think about it a little instead of talking. I am sure he will not be proud of that speech when he reads it.

Mr. Regier: I think the farmers will read it.

Mr. Hamilton (Qu'Appelle): During the hon. member's speech, Mr. Chairman, he not only attacked the wheat farmer but he attacked the intelligence of farm organizations. He came out against the importation of food supplies into Canada. He came out for producing surpluses beyond our own needs. He came out for controls and he came out against controls. If the hon. member will just read that speech over it will save me the unhappy task of exposing the depths of the ignorance that was expressed.

I have no right to say anything about why my parliamentary secretary was appointed. Once again, I would ask the hon. member to get out of these city districts he represents and learn something about the geography of Canada.

Mr. Regier: I was born in Saskatchewan.

Mr. Hamilton (Qu'Appelle): Yes, I know, but after your speech we are not proud of it.

Mr. Regier: I am very proud of it.

Mr. Hamilton (Qu'Appelle): The hon. member should learn something about the constituency which the hon. member for Provencher represents. He will find onion growers there, sugar beet growers, cattlemen, dairymen, fur farmers, almost every type of farming except wheat farming. I mention that only in passing. I just point out that if it is not apparent to the hon. member it must be apparent to all the rest of us, that it is only kindness on my part that keeps me in my seat.

Item agreed to.

Research branch—

5. Branch administration including Canada's fee for membership in the international society for horticultural science and $139,045 for grants in aid of agricultural research in universities and other scientific organizations in Canada, $1,899,219.

(Translation):

Mr. Boulanger: Mr. Chairman, on item 5, I should like to say a few words about markets for our agricultural products. The hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) delivered a fine speech about research and the Minister of Agriculture (Mr. Hamilton) himself commended him for it.

I should like, however, to add a few words concerning market research for agricultural products. I feel that the prosperity of our agriculture will depend on our exports to other countries.

Some time ago, I read certain publications where it was mentioned that the British market was quite extensive, but that we were not taking full advantage of it as far as Canadian exports are concerned. For instance—the latest figures I have are for 1957—it is stated that Denmark exported 249,000 tons of meat to the United Kingdom, Holland, 16,000 tons, Poland, 49,000 tons and other countries also exported 39,000 tons of meat, while Canada exported 832 tons.

I feel that in the matter of research, the government should make every effort to expand our markets.

With regard to dairy products, last year, that is in 1959, British imports of dairy products reached $511 million, tobacco products, $228 million, fruits and vegetables, $633 million, while the Canadian contribution was only 2½ per cent in the case of dairy products, 0.9 per cent in the case of tobacco products and 0.7 per cent in the case of fruits and vegetables.

Since the Canadian government maintains rather close relations with the United Kingdom, I fail to understand why we cannot increase our exports to that country.

As for the studies and research the minister intends to undertake during the coming year, that is in 1961-62, since this item in the estimates has gone up by 28 per cent, I would ask that export markets be given prime consideration. This is our only hope to achieve a prosperous, an expanding agriculture.

(Text):

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I should like to tell the hon. member that the subject he has raised is a very important one, namely, the development of market research for products abroad as well as in Canada. This subject should really have been discussed under the item relating to the economics division, but perhaps I may be allowed to say a few words about it under this item. This is one item that I feel has been overlooked.

In the speeches mentioned by the hon. member for Bonavista-Twillingate, I outlined several proposals that I thought we should follow. The emphasis today is on market research and getting new products in front of the consumer to keep pace with our competitors. Within the last four or five months we have had an interesting experience along these lines. A certain number of potatoes from the United States were coming into Canada. Upon investigation it was ascertained this was because the patent that was held for processing these potatoes into instant potatoes was a United States patent. The department immediately got busy and bought a patent from the United States department of agriculture and then went ahead on its own with the development of a patent under Dr. Asselbergs. This is an example of market research where the laboratories we had were used to develop a process that would enable Canadians to put up a product more suitable for the Canadian market.

I agree with the hon. member that this is one thing we should push. So far the Department of Agriculture has not done too much about it. We are just reorienting ourselves toward this approach. I think I can guarantee the hon. member that I will give it all the push I can.

In so far as markets in the United Kingdom are concerned, I think the hon. member is aware that our prices in Canada for dairy products and almost all other farm products are very much higher than world prices. We have lost our hold on the United Kingdom market. However, this must not stop us from trying to get back into that market. We do have good products such as wheat and tobacco that we can sell on a competitive basis anywhere in the world. We will have to develop specially products, such as high quality fruit, cheese and so on. As I have said a good many times good, plain Canadian products have a taste advantage that makes them attractive even at higher prices.

I should like to thank you, Mr. Chairman, for permitting me to discuss this subject for a moment. I think the Department of Agriculture is well advised to reorient itself and think more of marketing than it has in the past.

(Translation):

Mr. Boulanger: Mr. Chairman, according to the remarks of the minister, he will exert

more efforts than were made during the last four years.

I remember that during the election campaigns in 1957 and 1958, they were going all around Canada trumpeting that when the Conservative party would be brought into power, an army of agents would look after the marketing of our products.

After three and a half years, I am glad to note that the minister has at last decided to do something in this field.

(Text):

The Acting Chairman (Mr. Morton): Shall item 5 carry?

Mr. Knowles: I have one question I should like to put to the minister. It is in connection with the experimental work that is done in my area in the Delhi substation in connection with tobacco. The people of that area have appreciated the work that has been done there over the years, but we sometimes feel that it would be better if the station were operated on its own rather than under the direction of the station in Harrow. It is not that we have any objection to the work that has been done. There has been the closest co-operation. However, when diseases strike, there have been instances where farmers have lost their whole crop within a very short period.

One example is weather fleck on which the department has done a considerable amount of work in that area during this past year and it is much appreciated. However, we feel that if the station were operated on its own it could probably move faster when some of these serious diseases strike. If it were on its own it could probably bring its staff up to greater strength. We would probably need a biochemist, probably more work in plant breeding and also a disease specialist. I believe these additions would facilitate the work carried on by the station. I do not expect the minister to give an answer at this moment but I should like him to give the matter consideration as to whether this station could be operated on its own in the future.

Item agreed to.

Institutes, stations, farms, laboratories and services—

6. Operation and maintenance including the costs of publishing departmental research papers as supplements to the *Canadian Entomologist*, $21,175,694.

(Translation):

Mr. Boulanger: I would like to have some clarification on item 6, which shows an increase of $1 million. Could the minister give us some explanations concerning this increase?

(Text):

Mr. Hamilton (Qu'Appelle): This increase is as a result of salary increases. The item is about the same except for the $800,000 increase in salaries.

Item agreed to.

Production and marketing branch—

8. Branch administration including contributions to agricultural organizations to assist in the marketing of agricultural products, subject to the approval of treasury board (also includes the former item for agricultural products board administration), $1,001,970.

Mr. Benidickson: What are the organizations that are referred to under this item? I have looked hurriedly at the details on page 103 but I did not see any reference to the organizations. The main item on page 5 refers to contributions to agricultural organizations to assist in the marketing of agricultural products.

Mr. Hamilton (Qu'Appelle): I am informed that this changes from year to year but usually it deals with some marketing organizations like honey growers or fruit growers who have a particular problem and to whom we give grants.

Mr. Benidickson: Can the minister indicate what grants were given in the year 1960-61? Perhaps that information could be put on the record later if the minister does not have it readily available.

Mr. Diefenbaker: Mr. Chairman, if the committee would allow it, I would ask that we revert for a moment to motions. In view of the fact that the function in honour of the prime minister of the United Kingdom and his wife begins at a quarter to six, would it be possible for the house to revert to motions just for a moment so that I might table the report about which I spoke earlier?

Some hon. Members: Agreed.

Progress reported.

Mr. Speaker: Has the Prime Minister leave to revert to motions for the purpose of tabling a document?

Some hon. Members: Agreed.

TRANSPORTATION

ROYAL COMMISSION—TABLING OF REPORT AND SUMMARY

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I wish to table two copies in English and in French of the report of the royal commission on transportation. Copies are being distributed to hon. members immediately. At the same time I should like to express the thanks of the government for the public service rendered by the commissioners and their staff and in particular, appreciation to Mr. M. A. MacPherson, Q.C., who took on the onerous duty

of chairman of the commission when Hon. C. P. McTague, Q.C., had to relinquish his place on the commission because of ill health.

A statement of information and a summary of the report has been furnished to me by the secretary of the commission. I should like as well to table that summary from the secretary in both English and French.

Mr. Pearson: Is the Prime Minister going to make any statement on the report at this time?

Mr. Diefenbaker: No, Mr. Speaker, I think that any statement will be given in due course but not at this time.

Hon. Lionel Chevrier (Laurier): Perhaps the Prime Minister would allow a question or two in connection with the report which he has tabled. Does the report which he has just now tabled involve legislation?

Mr. Diefenbaker: Mr. Speaker, as the hon. gentleman knows, the report is simply a compendium of the recommendations of a royal commission. After study has been given thereto, the question as to whether legislation shall be introduced will be determined and the house will be advised thereof.

Mr. Chevrier: May I ask the Prime Minister another question? The Prime Minister will recall that, during the course of the debate on the resumption of work legislation, he indicated that in this interim report or first report of the commission there would be found a formula which would deal with the freight rate structure and also with the resumption of work. The Prime Minister has seen, if not the report, at least the summary handed to him by the secretary. I think the opposition should know whether that formula to which the Prime Minister made reference is to be found in the report.

Mr. Diefenbaker: As I recall it, I expressed the hope and expectation that the report would contain recommendations which would tend to alleviate or remove the detrimental effects of horizontal increases in freight rates and would suggest means whereby discrimination against various localities and regions in Canada might be removed. After the hon. gentleman has had an opportunity to read the report he will be in a position to understand the nature and degree of the recommendations that are made.

Mr. Chevrier: Mr. Speaker, the Prime Minister (Mr. Diefenbaker) also suggested that in it would be found a formula which would not only do away with the inequalities but would also deal with the resumption of work and, in effect, avoid the strike. The question I am putting—

[Mr. Diefenbaker.]

Mr. Speaker: Order. I think perhaps the hon. member for Laurier (Mr. Chevrier) should reserve his questions until the orders of the day. What has transpired is that the house, by leave, has permitted the Prime Minister to revert to motions for the purpose of noting the filing of a report, but he has not made any statement thereon. Our practice has been not to discuss a document when tabled, which is all that has been done at this stage.

I intervened because I thought the hon. member had perhaps only a minor matter upon which to raise a question, but if there is to be any prolonged discussion of the matter or further questioning, I suggest it be done on the orders of the day or deferred until the matter can be debated.

Mr. Chevrier: Mr. Speaker, I am not complaining about the inference in Your Honour's statement, but Your Honour will remember that the Prime Minister asked for leave to revert to motions which, as is the custom, was granted. However, when that has been done, and particularly when it concerns a report of this importance from the royal commission on transportation, which everybody has been awaiting with interest, I think it is only fair and reasonable that the opposition should be allowed to ask one or two questions.

I had another question or two, in the light of what was tabled, and I thought perhaps the Prime Minister would not have any objection to replying to them.

Mr. Diefenbaker: Mr. Speaker, in so far as the hon. gentleman's interpretation of my remarks in the previous debate is concerned, may I say that I do not accept the interpretation of those remarks which he has just given. Therefore a debate would certainly result if any further questions were allowed at this time.

After the hon. gentleman has read the report he will be in a better position to ask questions and he will then receive answers.

Mr. Chevrier: Mr. Speaker, may I ask this final question? The Prime Minister has not refused to reply to my questions. The question I was going to ask was—

Some hon. Members: Order.

Mr. Speaker: Order. The Prime Minister has indicated that he felt, as I did, that a series of questions would lead to discussion and debate. At the most, the hon. member for Laurier would have the right to comment on the report, and I take it that he would not wish to do that without having an opportunity to read it.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to raise a point of order arising out of the procedure which we are now following. I am not objecting to the Prime Minister (Mr. Diefenbaker) having asked for unanimous consent to revert to motions. We all agreed to that. However, normally these reports are tabled at the begining of a sitting and therefore the opposition has a chance immediately afterwards, on the orders of the day, to ask questions relating to them and those questions are given publicity at the same time as the report is tabled.

When we revert to motions at a quarter to six we cannot ask questions, as we can on the orders of the day, until the next day. Therefore there is some difficulty about this procedure when we consider the conventional procedure of the house.

Mr. Diefenbaker: I am sure the hon. gentleman understood the reason for the delay until this time. I have found by experience when sitting over there that if I had a little more time to think over the questions I asked better questions than simply shots in the dark.

Mr. Pearson: Mr. Speaker, there would have been a very good reason for delay if the Prime Minister had intended to make a statement. All the Prime Minister has done is table a report and the press release has been issued. He has made no statement. I should have thought this should have been done at the beginning of the sitting.

Mr. Chevrier: On a question of privilege, Mr. Speaker, the Prime Minister has disagreed with my interpretation of what he said during the course of the earlier debate.

Some hon. Members: Order.

Mr. Chevrier: On that occasion the Prime Minister stated—

Mr. Speaker: Order. I am sorry, but I am afraid I cannot allow a debate to arise out of the tabling of the document. No statement was made other than to record in our proceedings that the document has been tabled. While I thought it would be in order to comment, the procedure that we have followed is quite contrary to our usual practice. I suggest the hon. member for Laurier reserve his questions until the next appropriate time for such questions, which would be at the opening of the next sitting of the house.

Mr. Chevrier: Mr. Speaker, may I ask the Prime Minister whether he will answer just one question, and then I will resume my seat?

Some hon. Members: Oh, oh.

Some hon. Members: Order.

Mr. Chevrier: The question is this. In the light of the report which the Prime Minister has just tabled, has the government a program laid out as to how it will proceed in carrying out the legislation which I understand is contained in the report?

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman has said, "the legislation which I understand is contained in the report". I can simply say to him that after he has perused it he will be in a position to understand the situation, which apparently he does not at the moment.

Mr. Chevrier: I have reference to the recommendations, which might involve legislation.

Mr. Speaker: The house will now resume the business which was interrupted by unanimous consent to permit the Prime Minister to table a document.

SUPPLY

The house resumed in committee of supply, Mr. Morton in the chair.

DEPARTMENT OF AGRICULTURE

Production and marketing branch—

8. Branch administration including contributions to agricultural organizations to assist in the marketing of agricultural products, subject to the approval of treasury board (also includes the former item for agricultural products board administration), $1,001,970.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I was asked a question and I have the information here: 1959-60, materials and supplies; Canadian beekeepers council, poultry products industry, Canadian restaurant association, Corporation des agronomes, Salon national de l'agriculture, Ecole supérieure de l'agriculture de Sainte-Anne, consumer publications.

Then 1960-61, rent for exhibit space and materials at conventions and exhibitions, mat service for consumer section publicity in newspapers and T.V. shows, pamphlet "Canada Observes World Seed Year". Poultry products institute, Canadian beekeepers council and miscellaneous.

Item agreed to.

9. Agricultural Stabilization Act administration, $536,013.

(Translation):

Mr. Boulanger: Mr. Chairman, I have a few comments to make on price stabilization of agricultural products.

I think I ought to say a few words concerning figures which were given in an article which appeared recently in a periodical following the Tory convention and which amounted naturally to political propaganda.

It said that during the last three years of the Liberal administration, $234.9 million were distributed to farmers under the Agricultural Stabilization Act as compared to $494 million for the same number of years under the Conservative government.

I fail to see the kind of propaganda they wanted to make with those figures since, after all, those payments were paid by the taxpayers.

Besides, in spite of the millions paid under the Agricultural Stabilization Act farmers still had to sell their products at lower prices.

I have here a few recent prices for beef. In 1959, grade "A" beef sold for $24.80 in Toronto while in 1960 it went down to $24.75. According to the cattle market review, beef graded as "good" was selling for $25.10 a hundredweight in 1959 and only $22.65 in 1960.

Eggs, grade "A" were priced down from 39 to 36 cents.

Butter remained at 71 cents.

Cheese was at 28.7 cents in 1959 compared with an average of 27.5 cents in 1960.

Milk went down from $2.75 to $2.74 a hundredweight.

It is not surprising then that millions had to be poured into the scheme in order to obtain an increase of 12 per cent for 1960. According to *Current Review on Agricultural Conditions in Canada* and as was explained a moment ago by my colleague, revenues increased by 12 per cent in 1960 compared to 1959. But an analysis of incomes by provinces shows that incomes have decreased in Nova Scotia, Quebec, Manitoba and Alberta while they have increased by 43 per cent in Saskatchewan.

Mr. Pigeon: According to the hon. member, incomes have become smaller in the province of Quebec. Would that not be because of the provincial government?

Mr. Boulanger: Here we go again. When serious matters are being discussed, there is always someone to make the most silly remarks.

Mr. Pigeon: Is that your best answer?

[Mr. Boulanger.]

Mr. Boulanger: For an answer, I would refer the hon. member to his friend and colleague, former Premier Barrette, whom he knows so well.

Mr. Pigeon: He is a better man than you on many counts.

Mr. Boulanger: He was defeated.

Let us therefore take a look at the Saskatchewan incomes. According to the report, additional payments totalling $77 million have been made to help the farmers in the western provinces; but seemingly the province of Saskatchewan has benefited more than the other provinces, which would explain why today the incomes are 43 per cent higher than in 1959.

Considering the differences of incomes to be found among the provinces, I ask the Minister of Agriculture what he intends to do in order to increase the incomes in those provinces where they have decreased during last year, and particularly in Nova Scotia, Prince Edward Island, Quebec and Manitoba. In New Brunswick, there has been an increase of 12 per cent over the previous year and, like the farmers of that province, I am happy to note it.

Now, since we are discussing the Agricultural Stabilization Act, I should like to say a few words about the stabilization prices promised to the western farmers for their grain in 1957 and 1958 by the Prime Minister (Mr. Diefenbaker), the Minister of Agriculture himself and the other candidates at that time.

The government has been in power for four years and a half and they have done nothing yet to meet the demands of those farmers. In 1958 and 1959, they even denied an answer to the farmers who came here to beg stabilization prices from the government. And if we look at wheat prices that are set in other countries, we notice a large discrepancy. Before quoting those figures, Mr. Chairman, may I call it six o'clock.

(Text):

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

(Translation):

Mr. Boulanger: Mr. Chairman, when we adjourned for lunch I wanted to show the government the difference in the price of wheat in some countries as compared to the price that prevails in Canada.

In 1960-61, the price of wheat in France was set at $2.07 a bushel for soft wheat and $2.61 for durum wheat. As for rye, the price was $1.34; barley was $1.35, while the Canadian price of barley Canada-West No. 2, was only $0.77 a bushel, in 1959.

The price of oats was set at $0.68 a bushel.

In New Zealand, the price of wheat was $1.85 a bushel in the southern parts of the country and $1.99 in the north.

In Australia, the price of wheat for the current year was set at $1.66 a bushel, or $0.37 more than last year. In Denmark, the price of wheat was set at $1.86 a bushel, or $0.38 more than last year.

If we compare those prices to those we obtained in our own country last year, we notice a marked difference.

Last year, according to the report of the Canadian wheat board, wheat sold for $1.596.

That is an indication of the interest shown by the government in the field of agricultural price stabilization, particularly as regards wheat.

I must say that the Minister of Agriculture and the government he is associated with were more interested in talking about agricultural price stabilization three years ago than they are now.

I would ask the minister, and I base my question on the representations made to me by the western grain producers, whether he intends to announce a price setting policy for grain.

I have more remarks to make about agricultural price stabilization, but I would rather wait for the minister's reply before starting on other farm products. I would like information as to the government's policy on the price of western grain.

(Text):

Mr. Hamilton (Qu'Appelle): To give a short answer to the question, the prairie wheat farmer knows that his products are sold on the export markets of the world. Until recently, no support or extra subsidy was given to the Canadian wheat farmers; they paid the complete cost of the operations of getting their product to market, and so on.

The hon. member mentioned the high prices in other countries of the world. I could give a list of every country in the world that is a producer of wheat to show that their support prices are very high. In this particular case, we are an exporting country and are trying to get into their markets. Our prices are set on two general bases: first, on the international wheat agreement; and, second, on world prices, which are set by competition according to the laws of supply and demand. Therefore, outside of the existing subsidies for the handling of grain through the payment of the excess storage charges, there is no intention on the part of the government to go into the rat race of trying to compete with those other importing countries and subsidize all export grain grown in Canada.

Mr. Nasserden: With respect to the administration of the Agricultural Stabilization Act, I should like to touch on one or two things that have been bothering some of the people in my riding. One of these is the application of this act to eggs. When I was in my riding at Christmas eggs were selling at about 18 cents to 20 cents a dozen; at the present time they are selling at from 20 cents to 22 cents a dozen. There does not look as if there will be any possibility of deficiency payments being made to individual producers on the national average price as set out by the legislation. I do not think anyone has suggested that 18 cents to 22 cents is a high price for eggs. The producers in the province of Saskatchewan certainly have not been able to share in the benefits of this program to the extent that producers in other parts of the country have been able to do so.

The situation with regard to hogs, of course, is still in a state of flux and there is also that same measure of uncertainty in that industry as there is in the egg industry in all parts of Canada. The other day hogs went down $4 a hundred on the prairies. This was another indication of the uncertainty, and the fluctuation in price certainly is not to the advantage of the producers in that area.

It has been suggested in some quarters that farmers should receive support prices on those products at whatever quota the government wants to set, and that some policy be entered into along the lines of the permit books that we have for the sale of grain in western Canada. There may be one or two objections to such a program but it would give the individual producer solid support for a minimum of production and would certainly have a greater stabilizing effect than does the present policy. The stabilization program in general has been such that Canadian farmers have received greater benefits than they did under the old price support act. However, with regard to eggs and hogs I think there is some danger and producers in Saskatchewan certainly would like to see the policy revised to some extent. Can the minister give us any indication whether there is a possibility of some revision in that regard?

(Translation):

Mr. Boulanger: Mr. Chairman, before the minister answers the question just put to him, I should like to make a few comments

on the Agricultural Stabilization Act, as the hon. member for Rosthern (Mr. Nasserden) just did.

I do not think that the act is presently beneficial to farmers and especially to western egg producers. I have here the average price paid for eggs in various provinces for the year 1960. The average price in Alberta for last year was 23.2 cents a dozen; in Saskatchewan, 20.8 cents; in Manitoba, 23.4 cents; in British Columbia, 31.4 cents; in Ontario, 31.2 cents and in Quebec, 33 cents.

Those figures show a difference of eight to ten cents a dozen between the price paid in the west and that paid to farmers in the east. The deficiency payment paid last year under the Agricultural Stabilization Act was 1.2 cents a dozen, which represents a difference between the final price to the western farmers and to eastern farmers. That shows that the act has discriminatory effects against a certain class of producers, and that is the reason why the hon. member for Essex East (Mr. Martin) urged the government last year in rather positive terms to change the price setting method, that is, he asked the government to stabilize prices on a regional basis rather than on a national basis. In fact, as reported on page 1367 of *Hansard* for February 23, 1960, here is what the hon. member said:

> When prices for the same commodity vary from one region to another, a national system of deficiency payments discriminates against those regions where prices are low and which, therefore, need more assistance, and in favour of those regions where prices are higher and which, therefore, need less assistance.

The Agricultural Stabilization Act has been enacted for the purpose of correcting certain shortcomings in the marketing system, and it is normal that the producers in a less favoured area get the same protection from the state as those who live in other provinces where products sell at higher prices.

Due to that policy, which I would call discriminatory, production of chicks will be substantially reduced in the west this year. Thus, in Alberta, production has fallen by 11.7 per cent; in Saskatchewan, by 25.1 per cent, and in Manitoba, by 16.4 per cent, while the national production has only fallen by 8.6 per cent.

I therefore repeat the request put forward last year by the hon. member for Essex East, who is known as an expert on agricultural matters—

Some hon. Members: Oh, oh.

Mr. Boulanger: Mr. Chairman, I am glad to note that hon. members recognize the competence of the hon. member for Essex East, and I thank them for their appreciation.

[Mr. Boulanger.]

Therefore, this is the request we are submitting: that a regional price be set in order to protect the egg producers in the west.

(Text):

Mr. Hicks: Mr. Chairman, I should like to say a word or two about item No. 9 which has to do with the Agricultural Stabilization Act. First of all, may I refer to page 2561 of *Hansard* for March 1 at which time I made a few remarks in connection with the sale of butter. I am concerned about the amount that is paid for the storage of butter in the different plants. It seems to me that something should be done to advertise butter rather than having it condemned as one of the causes of heart disease. I quoted figures at that time showing that the consumption of butter had dropped whereas the consumption of margarine had risen and so also had the incidence of heart disease.

I think something should be done to advertise butter. I have before me this evening two advertisements for margarine. One of them is by Canada Packers and it is set forth in the advertisement that a person can get two pairs of 60 gauge, 15 denier nylons for the price of one pair and there is a picture of a beautiful pair of limbs here. That is the enticement to buy margarine. Why can we not do something like that for butter? They also advertise that silverware can be had at half price if a person buys a pound of margarine, tears off the yellow end of the package and sends it in. Here is another advertisement for Parkay margarine. Maybe I am advertising something I should not be but it seems to me that if the people who are selling butter would do something like the people who are selling margarine are doing we might sell more butter.

Mr. Fisher: Mr. Chairman, is the minister prepared, if he has not already done so, to amplify the indication he gave earlier in the session that he was giving serious consideration to bringing pulpwood under the Agricultural Stabilization Act or some form of legislation that would give a better price to the settlers or farmers for whom pulpwood is becoming increasingly a very large source of income?

Mr. Hamilton (Qu'Appelle): Mr. Chairman, several questions have been posed. The Agricultural Stabilization Act was one of the first major efforts under the government's agricultural development program to get at one of the fundamental weaknesses in agriculture, namely, the rise and fall in prices.

The act covers some 17 products and with respect to most of these products it seems to be working quite well. From listening to various hon. members and having in mind the way the act is working it is obvious it is not entirely satisfactory in relation to hogs and eggs. I think the fundamental reason for this is that as a result of the plentiful supplies of feed, particularly in western Canada, it has been and is so easy to expand the production of these two items. Any slight adjustment upwards in price immediately attracts tremendous production and a surplus situation.

On several occasions I have indicated that I, personally, am not completely satisfied with the way the stabilization act has worked out with regard to these two products. I would suggest that if I have been honest in saying that, then other hon. members could be equally honest by searching their own consciences, and calculating the known effects of their suggestions on economic production in this country, before they make suggestions which have not been thoroughly thought out. If the hon. member for Drummond-Arthabaska is suggesting that western farmers receive a price for eggs comparable to that received by Quebec farmers, his suggestion would be very well received by western farmers. However, the majority of western farmers are aware that, with their ability to produce cheap feed, they can produce eggs or hogs in unlimited quantities at prices with which the eastern farmer could not compete. If the western farmer did this, then not only would he destroy the price for himself but for all producers of eggs and hogs in Canada. I think producers generally owe the western farmer a great deal because of his restraint in not rushing into the production of these two products.

I should like also to sound a small warning to the eastern producers of products for which prices are not as high as they are in the west. I am referring particularly to sugar beets. If the sugar beet producer in eastern Canada were to ask for a price comparable to that received in western Canada, the result would be a great increase in the production of sugar beets. This, in turn, would destroy the market for the western producer. We have to realize, therefore, that in this country the basic economic rules should continue to apply. Meanwhile, as I said earlier, I do not believe the hon. member for Drummond-Arthabaska really implies that we should have the same price for these products all across Canada. If he is implying that there should be a regional price, and regional supports, then of course that is something different. I believe that is a suggestion worthy of consideration.

For instance, the differential in the price of eggs between eastern and western Canada usually amounts to the freight from western Canada to Montreal which is one of the main egg markets. If one suggested to the eastern producer of eggs that there should be one price all across Canada, this might win you a good many friends in western Canada but it would destroy the egg producer in eastern and central Canada. I just point out, therefore, that there should be honesty on all sides because with agriculture in the state in which it is, it is a dreadful thing to build up false hopes which, in the end, would destroy not only the producer you are trying to help but other producers as well.

The hon. member for Port Arthur asked about bringing pulpwood under the stabilization act. I think this will eventually come about. However, some time has to pass before there will be active tree growing operations on farms. We are very pleased to see the promotion, through farm associations, of the movement to have trees on farms. I intend to encourage this in every way possible. I believe a good deal of time must elapse yet before we get to the stage of putting pulpwood under the stabilization act. I do not want anyone to get the idea I am opposed to putting pulpwood under the act because, eventually, I think this will happen. If our program under the other legislation is going to be successful, then within a year or two we will have to begin working out some kind of formula for giving to those who are producing trees the protection of the stabilization act.

In so far as the tree industry is concerned, I think the preliminary step will have to be a marketing board set-up or some arrangement whereby the farmers get into an organization to protect themselves. The hon. member for Fraser Valley mentioned the need for advertising butter. No person could agree with him more than I do. We have one item in the estimates for advertising. I believe it is about $200,000, which is not nearly enough to compete with the advertising of the big corporations. I think the producers will have to consider enlarging their advertising program and instead of setting aside an amount each June for this purpose they will have to do so on a monthly basis.

Mr. Fisher: The minister has said he looks forward to bringing pulpwood under this act. I should like to suggest to him that some effort be made under his rural rehabilitation program which he hopes to put through the house this year, to switch marginal areas to the production of wood. I cannot think of a better incentive to get more farmers interested in the production of wood than the knowledge that they will get a fair price

for their pulpwood. Despite the inquiry into pulpwood prices in eastern Canada, and despite the penalties that were incurred by the companies for contravention of the combines act, it seems to me that there is no real indication pulpwood prices are a great deal better in the province of Quebec. I think there is a real indication that prices are better because of the action taken by the provincial government to set up marketing boards.

I think perhaps hon. members know, especially the hon. member for Cochrane, that in Ontario there is legislation under which marketing boards for pulpwood could be set up. However, the provincial government will not give any lead in this respect. I have a communication from the minister of agriculture to the effect that he has no intention of encouraging such a step. The department of lands and forests will not encourage it. Surely the minister must concede that marketing boards must develop within a provincial framework. In the second largest pulpwood province we have a government whose policy is diametrically opposed to the policy followed in Quebec, the other main pulpwood producing province. We need some way of resolving this difference in order to arrive at a uniform framework.

Can the minister suggest to us how Ontario could be brought to the stage of establishing some rudimentary marketing organization? Perhaps the minister could tell us how this step could be taken and what leadership his department could give in achieving this development. I should like him to suggest to me what kind of regional set-up would be evolved for pricing if we had pulpwood under this stabilization act. It is quite obvious that the price of pulpwood in Sault Ste. Marie is quite likely to be lower than the price of pulpwood in Port Arthur because in Port Arthur there are more mills competing. It is quite likely that pulpwood prices in Ottawa are almost certain to be lower than in areas where there are very few settlers and very few farmers such as up in northwestern Ontario. Can he suggest to us how he sees this act working in view of these regional differences, and in view of the fact that the province of Ontario has given no lead at all in establishing marketing boards?

Mr. Hamilton (Qu'Appelle): I have not too much to add to what I have already said. It is a subject on which I have put some considerable thought. However, this is not a problem upon which I wish to elucidate at the present time. We have made great strides in the last few years. Quebec has set up marketing boards for pulpwood production, and this has resulted in increased prices. I hope to have some discussions with the provinces in the not too distant future, and this is one subject we will be discussing. We, on this side, have some hesitancy about imposing our will on the provinces. We do not believe in centralization. We do know that, at least in theory, if you are one who does not consider the powers of the provinces you can push these things upon them. However, I should like to discuss these things with the provinces and do them on a voluntary basis rather than by means of pressure techniques.

Mr. Fisher: There is one last qualifying remark I should like to make in this respect. During the last election campaign the Prime Minister, I believe at Rimouski, Quebec, according to the documented record of some of his promises produced by the Liberal party, gave an indication that pulpwood was going to be brought under this particular act. It is all very well for the minister to say that he does not believe in pressuring, that he is not a centralizer nor is the government of which he is a member, that they want to go slowly, that they do not want to strain things too much. What I am afraid of is this. We are going to have another election campaign shortly. I think it would be a pity if again we had this promise dangled of pulpwood being brought under this act without any clarification as to how it could be done. The minister will remember that his predecessor—who, if I could phrase it in this way, was a bit more of a hard rock than he is—rose in his place in this house a number of times and in effect threw completely chilled water upon this whole idea. The present minister has given an indication that he has more interest in or compassion for the subject. In view of past election promises, in view of an election campaign coming and in view of the switch that he has made in the intentions of the department towards this project, I think we deserve to know more about how this department plans to bring it about.

Item agreed to.

13. Assistance in construction of potato warehouses under terms and conditions approved by the governor in council, $134,015.

Mr. Nasserden: I should like to take this opportunity to say how much the people of my area appreciate this particular vote and the money that is available for the encouragement of greater potato production in a province such as ours. At Rosthern the newest industry in the province of Saskatchewan is Prairie Potato Products Limited. It will employ more people than did many of the industries that the government of the province of Saskatchewan have boasted about

encouraging in the years gone by. Their product is going out under the brand name Mary Ann Potato Chips.

I know we have some competitors down in the maritimes but I promise them that we will not ship potato chips down to the maritimes for a few years, anyway. It may be that there will be other plants going into operation in Saskatchewan in the next few years. Of course, this will take some acreage out of grain. In view of the money going into our province I feel that this vote is a very desirable one indeed.

Item agreed to.

Health of animals division—

14. Operation and maintenance including Canada's fee for membership in the office international des epizooties and authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from packers requiring special services, $9,940,601.

(Translation):

Mr. Boulanger: I should like to hear from the minister what has been done since last year concerning the eradication of animal tuberculosis in Quebec?

(Text):

Mr. Hamilton (Qu'Appelle): Mr. Chairman, it gives me great pleasure to announce that, after many years, in the year 1961 the Department of Agriculture intends to complete its tuberculosis campaign all across Canada, including Quebec. I hope that I shall be present when the final herd is tested. This does not mean an end to the tuberculosis campaign. It means it will have to continue. But this year, after many years, it will mean that the whole of Canada—every district, every county—will have been covered.

(Translation):

Mr. Boulanger: Could the minister tell us the number of Quebec counties which have been certified since last year?

(Text):

Mr. Hamilton (Qu'Appelle): The information is not available here but we can get it and provide it for the hon. member, if he wishes it. I think I am right in saying that every county has been covered in Quebec. However, I will find out what we did last year.

Mr. Boulanger: Every county in Quebec has been covered?

Mr. Hamilton (Qu'Appelle): Yes, has been completed.

(Translation):

Mr. Boulanger: If I understood the minister correctly, a certificate has been delivered in favour of all the counties in Quebec. I do not recall having seen the name of the Drummond-Arthabaska riding and I do not think that this district got its certificate concerning tuberculosis and brucellosis.

(Text):

Mr. Hamilton (Qu'Appelle): The hon. member would not be confusing tuberculosis with brucellosis?

Mr. Brunsden: He could be doing so.

Mr. Boulanger: No, I know what I am saying.

(Translation):

As far as tuberculosis is concerned, I will admit that an inspection may have been made through the province, but it does not seem to me that all counties have obtained a certificate. However, as regards brucellosis, I think a certain section, the southwestern section of the province of Quebec, has been certified. What I want the minister to do, is to tell us what has been done since last year in order to control brucellosis; what is the situation now?

(Text):

Mr. Hamilton (Qu'Appelle): Mr. Chairman, we have a program on brucellosis which was started, as you know, two years ago. However, I would have to go back into the records and get the list of the counties in which this program is now operating. Is the hon. member talking only about Quebec?

Mr. Boulanger: Yes, Quebec.

Mr. Hamilton (Qu'Appelle): I have not the information here with me, but I can get it for the hon. member and inform him.

(Translation):

Mr. Boulanger: I am delighted to learn what has been done. For the last two years, I have been urging the government to make haste and give out a certificate for the Drummond-Arthabaska county, a noted stock farming region of the province of Quebec from which large numbers of cattle are exported to the United States, so that our farmers will not have to go through the 90-day waiting period before they can export their cattle.

(Text):

Mr. Hamilton (Qu'Appelle): Hardly a week passes, Mr. Chairman, that I do not sign applications for several areas to have a brucellosis campaign started. The limit on doing this, of course, is the staff available. I think I am right in saying this, but I am speaking from memory. When an application from an area comes in, we put it on the list of priorities and we do it the minute we get staff. I can examine the records in detail, find out where Drummond-Arthabaska stands and let the hon. member know.

Item agreed to.

15. Construction or acquisition of buildings, works, land and equipment, $431,910.

Mr. Regier: I should like to ask the minister for some detail as to where the construction of buildings or the acquisition of buildings will take place to the extent of $340,000?

Mr. Hamilton (Qu'Appelle): I will read this out. Does the hon. member want the amounts as well?

Mr. Regier: Yes.

Mr. Hamilton (Qu'Appelle): Saint John, New Brunswick, construction of cattle barn, access land and railway siding, $82,000; St. Stephen, New Brunswick, construction of corral $4,000; North Portal, Saskatchewan, construction of corral, $4,000; Lethbridge, Alberta, administration building $170,000; fire protection system—this is a part of the Lethbridge vote—$80,000 at Lethbridge. The total vote is $340,000.

Items 15 and 16 agreed to.

Livestock division—

17. Operation and maintenance including premiums on purebred sires and contributions for livestock improvement; stockyard supervision and furs, $2,861,681.

Mr. Peters: Mr. Chairman, some time ago under this item the members of the House of Commons received a brief from Gerald Rowe, a farmer in the country not far from Ottawa, in which he complained of a conviction recorded against him under the Live Stock Pedigree Act and amendments thereto. This matter concerned the Holstein-Friesian association, the government and this farmer.

I read the information, as I presume other hon. members did, and I am quite sure that most hon. members who took the trouble to read the brief were quite impressed with some of the submissions contained in it.

This may not be important. However, it concerns one farmer whose rights were removed by a summary court of law in relationship to the ability to register pedigree cattle. I think it would not be of much importance in general to raise the matter, except for the fact that the Holstein-Friesian breed of cattle constitutes about half of all the registrations that take place in this country under this act. We now register in the neighbourhood of 80,000 head of purebred Holstein cattle per year, and as an industry the Holstein breed of cattle has grown until we have now reached the position where we are exporting cattle to Argentina and all the South American countries, and overseas.

I think this particular conviction highlighted one of the things—

The Acting Chairman (Mr. McGee): Order. I wonder whether the hon. member could help me clarify in my own mind whether this particular case is properly discussed under this item.

Do I understand that this matter has been considered by the courts and a decision has been reached by them? If so, I wonder whether perhaps this item would not be more properly discussed under the estimates of the Department of Justice.

Mr. Peters: I think some of the aspects of it could be discussed under the estimates of the Department of Justice, but I believe that the Live Stock Pedigree Act as it is set up has a number of sections that allow for this particular type of conviction because of our thinking of quite a number of years ago. There have been changes in that thinking and in the scientific development that has gone into establishing these breeds. These matters have not been given consideration in this particular case and I think this is the place where it should be discussed.

As I have said, in my opinion this conviction was not justified and I wish to discuss the reasons why I say that, in terms of the technical aspects in relation to the act itself, but not the legal aspect of it.

I am not a lawyer and I am not particularly interested in the legal aspects, but I am interested in the method that we use to determine whether a particular calf is a purebred calf and whether it belongs to a particular cow. In the main, this is what the Live Stock Pedigree Act establishes. It establishes whether a particular animal is qualified for registration as a particular breed under the Live Stock Pedigree Act and the methods by which we establish this and maintain these breeds.

The Acting Chairman (Mr. McGee): I should like to thank the hon. member for that comment. However, what concerns me—and I am not a lawyer either—is that if there is some movement afoot to have this question examined in the courts, are we not in danger of getting into a discussion on something that is sub judice?

I would appreciate hearing from hon. members who might perhaps be able to give me guidance in this matter.

Mr. Hamilton (Qu'Appelle): I am aware of this case, Mr. Chairman. It happened several years ago. The case was brought before the courts, taken through all the due processes of the law.

The question of whether or not the calf belonged to a particular cow is a technical matter. People qualified to determine these matters by means of blood tests ruled that it was not. Even though they could definitely prove that it was not, it could not be proved

that it was. As far as I, as minister, am concerned, I cannot offer anything more in this case. It was before the courts, and we have to leave it to judicial procedures. Therefore I cannot deal with this matter in my estimates.

The Acting Chairman (Mr. McGee): This is the matter I am trying to get clarified. Is this matter before the courts in any form at the present time?

Mr. Peters: No.

The Acting Chairman (Mr. McGee): There is apparently a contradiction here.

Mr. Regier: On the point of order that you raised, Mr. Chairman, I understand that this matter is no longer before the courts. The courts have decided the matter, and all the hon. member is attempting to do at this time is argue legislation that is under the jurisdiction of the Minister of Agriculture.

There is no longer any case before the courts. The hon. member is referring to an event that happened in the past in order to illustrate that there should be amendments to regulations under the jurisdiction of the Minister of Agriculture.

The Acting Chairman (Mr. McGee): I am grateful to the hon. member. I perhaps misunderstood the minister but I thought he indicated that the matter was still before the courts.

Mr. Hamilton (Qu'Appelle): No, Mr. Chairman; it occurred several years ago.

The Acting Chairman (Mr. McGee): I am sorry.

Mr. Peters: My reason for raising this matter is that I believe, from my understanding of the legal aspects of the case, the farmer did get a fair hearing. The prosecution put forward a fair case and his lawyer received a fair hearing but my contention is that the evidence put forward at that time and the reasons established in the case were not sufficient to warrant a conviction. The conviction was obtained by the department themselves because they felt there was a need to establish this kind of precedent. To this extent I agree with the department.

We have now got into a field where we are selling cattle to countries such as Argentina for $20,000, $30,000 and $40,000 a head. If we are not in a position to establish a breed, maintain a fair and honest record of that breed and handle artificial insemination, which is a completely new field of very recent origin, we are going to be suspect when we sell our cattle to other countries.

In this relationship we have had in the last few years something that has been very detrimental to this whole process. I am referring to something in the Holstein-Friesian breed that is called the red factor. The red factor did enter into this particular case. As everybody knows, a Holstein cow has certain definite characteristics. She must be black and white in colour; she must have five points that are white; her forestockings and the switch of her tail must be white before she can be registered as being of the Holstein-Friesian breed. There are also other considerations that enter into this matter.

In recent times two purebred animals have been producing a red calf which is not registerable under this act. This, of course, has become such a big problem in Holland, where the breed developed, that they have now set up a red register; but only very recently in Canada, within the last few months, the Holstein-Friesian association itself, and therefore I presume the Department of Agriculture through its livestock division, recognized this red factor as part of the problem. Today these livestock associations recognize that this red factor is a very real problem and now when they advertise semen they state, where it applies, that a bull carries a red factor and thus people are warned.

You may wonder, Mr. Chairman, why this is of any importance at all. Perhaps I may use an example which happened on the family farm. My brother was very pleased last summer when he was able to obtain semen from one of the best bulls in Canada, a bull worth $45,000 at the time. He bred this bull artificially to one of his cows, a cow which has an excellent record. A bull calf of this stock would normally be worth several thousand dollars, but when this particular calf was born it was a red calf which looked more like an Ayrshire than a Holstein. Anyway, it was worth $22 rather than $1,000 or $2,000 as might have been expected. Neither the government nor the Holstein-Friesian society has given much consideration to this problem until recently but I am pleased to state that the society is now giving some consideration to it and that its advertising now carries notices where necessary stating that a bull or cow is known to carry the red factor. The societies themselves are becoming increasingly aware of the difficulty and one of the units buying a bull at a very large price has stipulated in the contract that if it were proven later that the bull carried a red factor the purchase price would be greatly reduced. While that particular bull still has a favourable background and heritage, the calves produced by that bull are worth very little.

In the case about which I am concerned, the Rowe case, as far as I have been able to find out, Mrs. Rowe—and this is one of these

sad cases—decided to leave Mr. Rowe but was unable to obtain a divorce, and because she wanted to get even with her husband she went to the head of the livestock division and laid a charge that he was falsely registering certain calves. That is how the investigation began. Checking the documents provided by the department I was unable to find any information of what interviews led to the proceedings or what the contents of those interviews were. But it appears from the information which I asked to be tabled in the house that the lawyer acting for the crown did interview this woman on several occasions. I should have liked to have seen the herd book in this particular case. The herd book is a book kept by a farmer under certain regulations which require him to record the breeding dates together with the names and dates of calves born to particular animals. Farmers also keep a stable book which gives breeding dates and states whether an animal is artificially bred, to whom it was bred, the dates of the first service, the second service and so on. To date I have been unable to find such a stable book. Anyone who has any experience with dairy herds would be able after consulting the herd book and the stable book to reach a conclusion as to whether or not a farmer was keeping adequate records. Up to the present the closest thing I can find from the R.C.M.P. is that they destroyed these along with certain other documents at the end of a given period of time.

The court case itself involved a number of things which I do not think are of very much interest to this committee and which in my opinion should not have been of much interest to the department. There was a great deal of talk about whether this animal was bred six months after she had been bred the first time, about whether this was technically possible. They used such experts as Dr. Gamble and Dr. Humble and several other leading veterinarians from the Ontario Agriculture College, and they came to the conclusion that this animal could have been bred six months after it was already bred and in calf for that length of time, though this was unlikely. I think it is perfectly true that it is very unlikely that you would breed a number of cattle more than once or twice in these circumstances. In this case the farmer claims to have bred her in January and she had a calf nine months later. This calf was registered. She was bred again two months after that and she had a calf, then, nine months following that, and the second calf was registered. Now the department begins an investigation into this particular case. They question not the second calf but the first calf, and this seems to me to be the stupid part of the whole case. If this cow was bred in January she could have had the calf, as the farmer said, the first time. If she had been bred six months after she had been bred the first time she could not possibly have a six months premature calf and therefore the second calf would not have been possible. It is not physically possible to have a three or four month premature calf in the second instance. But the department has not questioned the right of the registration of this second calf. In reading the evidence and going over it—and there are four or five hours of evidence—I see no possibility of the judge establishing the fact that this cow could have had a second calf if he did not agree with the farmer that she had had the first. The Holstein-Friesian society made a great to-do about the blood testing of cattle, as you know, Mr. Chairman, people have four or five types of blood. I am not too familiar with them but there is type A, type B, type O—there are three or four—

Mr. Brunsden: On a point of order, Mr. Chairman. I do not know whether the hon. member was here half an hour ago but it seems to me we have already passed item 14 which has to do with the health of animals and that we are now dealing with the operation of the livestock division. I suggest the hon. member might defer this discussion until next year's estimates.

The Acting Chairman (Mr. McGee): The description of the estimate before me reads as follows:

> Operation and maintenance including premiums on purebred sires and contributions for livestock improvement; stockyard supervision and furs.

It would seem to me that the phrase "contributions for livestock improvement" would bring this discussion within the terms of the estimate.

Mr. Brunsden: A good try anyway.

Mr. Peters: I do not want to abuse this opportunity to speak and I do not want to go too deeply into this case, because the minister, I am sure, is finished with it. I am of the opinion that the department is not too interested in what happens to this farmer or whether or not he registers his calves. But I am interested in the method used to establish the truth because if we do not give better consideration to this problem than we have in this case we will find ourselves in all kinds of difficulty, because I do not believe there is a superior court in this country which would give a decision which would stand up based on the evidence in this case If we cannot establish this, how are we going to establish breeds when we have to use blood types as a method of establishing certain considerations, because we are now breeding

and using bulls which have been dead for many years. We are using bulls which are in countries three, four or five thousand miles away; we are using bulls over which the Canadian government has no control, because this is an international field and these bulls are now in countries beyond our scope.

This is the only case that I know of in the history of the world where there has been this blood typing of animals to establish parentage. We all know of controversies with respect to the blood types of human beings, but I know of none at all in the field of purebred livestock. In this particular instance, where they were using artificial insemination, the department took blood samples from the cow, from the first calf and from the second calf and then established the fact that the first calf was supposed to be sired by a bull that was maintained in the Kemptville artificial breeding unit. They had tested this bull a number of years before and had found 15 factors in its blood. In the period of time that had elapsed they were able to find 80 blood factors in this particular bull. They checked them against the blood factors of the cow and came to the conclusion that the calf was not the result of this mating.

Mr. Chairman, this would not prove that the cow was not the dam. How is the farmer going to prove that the semen that the artificial insemination unit supplied to the agent came from this particular bull? How is the agent who does the artificial insemination work going to guarantee that it came from this particular bull? All the farmer has to do is to assume that the progeny came from this particular cow, not the bull. I do not see how he can be expected to know which bull produced which semen. Of course, they go on to point out that this agent was carrying Jersey semen, Ayrshire semen and semen from one other Holstein bull at the same time. The department did not ask for a review of the other bulls; they did not do blood testing to try to help the farmer establish his case. What they were interested in doing was getting a conviction. I could read some of the remarks made by the head of this department where both he and the head of the Holstein-Friesian association said, "This is going to be a very difficult case in which to get a conviction; this is quite a rascal we are dealing with and we are going to have quite a time establishing a case." I do not think this is the issue. What we should do is to try and establish a much better method of relating the artificial breeding and the insemination units to the purebred livestock cattle so that the farmers, the breeders and the buyers will know that they are getting what they are paying for, and that Canada is doing whatever she can to establish and maintain this breed that has become our most important purebred type of animal.

As I say, they did not prove this; they did not attempt to. Their specialists said they did not prove it, and yet this junior court decided that the farmer was guilty and should pay and lose his privileges in the association.

A great deal of attention was paid to the testimony of the gentleman from the artificial insemination unit. I have no axe to grind in this case. I do not know the gentleman; I have not met him but, according to the evidence, his education in this field was not too great. When he began his operations it was a new field. He was trained by a man who had done very little of the work himself, but he had done this work for a number of years at the time this case developed. I am of the opinion that something remiss must have been happening in this unit. This gentleman was re-breeding many cattle. He claimed that one of the cattle was in calf for eight months, and that he was breeding those cows not once but on a number of occasions. I think that some consideration on the part of the department should be given to this question of first, second and third services. I have some new evidence which I think should have been brought to the attention of the court.

Here is a man who bred the cow the first time. The cow was Silver Bell Root. She was bred on January 26, 1952. She carries the registration number 168534, and the tag number 5160. This cow was bred on April 23, 1952. I have also a slip here which indicates that a cow bearing this particular number was killed and sold for fox meat in March of that year. In other words, the artificial unit was breeding this cow one month after she had been sold for fox meat. This evidence is available to the department.

What I am saying about these artificial units is proven by evidence I received from a friend of mine who is a veterinarian in the Brantford area. He tells me that they now colour the semen. They put artificial colouring in because there were so many mistakes made over such a long period of time. Because of that, most of the units colour the semen so that there can be no mistake. The farmer, or the man who is doing this work, does not now mix up the semen in the test tube in his refrigerator in his home. The colour will give him some indication of which bull the semen happens to come from; therefore, he is assured that the semen he is using in the service he is giving comes from the bull he thinks it does, and the farmer is given much greater assurance that the calf which is born to the cow was sired by the bull he is paying his money for, to perform the service. If hon. members would

like to drop into my office at any time I would be glad to show them some pictures taken of these two cows, the mother and the daughter.

Some hon. Members: Oh, oh.

Mr. Peters: Hon. members laugh but they should give consideration to this. This purebred livestock registration is a relatively new field. When you are selling animals for $40,000 to $50,000 it is no joke, and if the importers knew how damned stupid we sometimes are in our legislation and how loose we are in our way of doing business they would not pay $30,000 or $40,000 for an animal unless they were given an assurance that they are receiving what they are paying for.

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

Mr. Peters: The hon. member should get up and say what he knows. I think I know a lot more than he does although I do not know him or where he comes from.

In the main, the farmers used to depend on the Holstein-Friesian association for descriptions. If you check on the back of the registration you will see there is a picture of the cow, there is a picture of the particular animal registered. The farmer draws on all the black and white markings and that is how they were registered for years, and this is still how they register them. There is a similarity in cows as there is in people. There is a similarity between mother and daughter, father and daughter, father and son, and so on. The descendants of human beings show similarities and this is true of animals also.

If hon. members will look over the pictures of these animals, which I would be happy to show them, they will see similarities. In fact, it is surprising how similar they are. The markings on the head of the cows are almost identical. If you look at the markings on the cows you will see a great similarity. It is true that this is no proof. I agree with this, but this is what the Holstein-Friesian people have depended on for years, and they still depend on it. We should not depend on this phony court case. I wonder why the department did not appeal the case? I wonder why they did not take the case to a higher court? Just why they did not I am sure I do not know.

Let hon. members laugh. The government spent a great deal of money on this court case and in my opinion they did not get a conviction that would stand up as a precedent in any other court in the country. The court in question was a small rural court of summary jurisdiction. Most of us have been in such courts. A lot of us have had to go there because of traffic tickets and we know what kind of justice is dispensed in a great number of them. I have been there and I know what kind of justice a person gets. Maybe other hon. members have been more fortunate.

This is a serious matter, Mr. Chairman, and I should like to keep it that way. We are going to have to decide that we should give these associations all the assistance we can. We want to establish the best breeds possible and give the greatest assurance to buyers from abroad that they are getting what they are paying for. Let us not fool ourselves. We should establish these blood types. If Dr. Humble of the Ontario veterinary college has carried on his experiments to the point where, as he claims, he can ascertain 80 different factors in cattle, then we should see that this is carried on and developed to the point where we can make use of it. Let us develop some cases where we know and can prove that the dam is the dam in question. Then we can play around with the sire. If we question the dam and question the sire and cannot be sure of either the dam or the sire no specialist in this country will ever say that you can tell by blood test what particular cow or bull was the parent of the calf in question. You have to have one known parent.

I have read the evidence and many of the articles of Dr. Humble who is considered to be one of the leading experts not only in Canada but in the world and I have failed to find where they have used known bulls rather than unknown bulls. Maybe it is necessary to establish more than 14 or 15 factors and maybe it is possible that it is only necessary to establish a smaller number.

In this particular case I think that in all fairness a blood sample could have been taken from the second calf and so far as blood factors are concerned they might have found a similarity with the first calf. This would have been at least interesting and in my opinion would have established some similarity between the first calf and the second calf.

Hon. members should read the evidence and the letters exchanged because they will see that the government was pleased to get this conviction. I am sure I do not know why. If a good case had been established that could have been used as a precedent I would have thought they had accomplished something but if they only prosecuted to collect $500 from some poor farmer and to take away from him the privilege of producing purebred cattle then I am ashamed of them. If they took this action for the first reason I think they had an obligation to

bring forward the best people they could on both sides and try to establish the case.

If the Minister of Agriculture wants to do so, this case can still be given consideration. The cow is still living. The bull has been examined by Dr. Humble on two separate occasions. The blood of the second bull in question was tested but that bull is now dead, although it was not dead, as intimated by the government, at the time of the hearing. The bull was still available and was not killed until November of that year. I am quite sure he was blood tested. I am quite sure that all bulls in the artificial insemination units are being tested now. This case can still be reopened because the cow and the two calves are still available on the farm in question. It was not the farmer's obligation to establish a decent case.

I have talked to a number of veterinarians who are quite concerned about what is taking place in the breeding of cattle through artificial insemination. I am sure all hon. members will be happy to know, if they are not already aware of it, that artificial insemination has been a boon not only to Holstein-Friesian breeders but to breeders of all other types of livestock as well. It means that a farmer for a minimum amount of money can secure the services of the best sire in the field in which he is interested. For $15 or $20 he can secure the services of the best bull in any of the milk breeds, Holstein, Ayrshire or Jersey. Those who are raising the beef breeds can secure the services of bulls for about the same price. This means that the average farmer, even though he is remote from the place where these expensive bulls are located, can secure the services of an animal worth $20,000 to $30,000. This means that the department also has an obligation and responsibility to guarantee that the farmer receives what he pays for.

In this particular case, when the expert said that this calf was not the progeny of this particular mating the government should have been willing to prove that the calf produced from the cow was as a result of using the service of this artificial insemination unit, that the farmer was receiving the service for which he was paying and the protection to which I think he is entitled.

The Minister of National Health and Welfare should also be concerned about this matter because there are great implications so far as humans are concerned in light of the fact that artificial insemination is now being used in that field as well. Every effort should be made—certainly the procedure is going to have to be more exact in the case of humans—to see that there is a method of assuring the farmer that the semen he buys from the artificial insemination unit is semen from the bull for whose services he is paying.

In the case in question a conviction was obtained simply on the finding that the calf was not the result of this particular mating and the silly business of breeding the cow the second time when she was six months in calf was introduced. As I see it, this was simply a red herring so far as this matter was concerned, and I think the department has been remiss in its duties. I am most concerned about this matter. My family has depended for many years on the breeding of cattle by this means. They have spent a great deal of time at the experimental farm at New Liskeard and have spent a great deal of time and money on their own farm in developing purebred cattle. In many cases we are far removed from the services of the best bulls which are found in southern Ontario. Their services are only available to us through artificial insemination. I think the case I have mentioned tonight is a disgrace to the government. It is a disgrace that they should try to establish it as a precedent in connection with purebred livestock.

The Acting Chairman (Mr. McGee): I regret to inform the hon. member that his time has expired.

Mr. Regier: Mr. Chairman, I have read a lot about this case and I hope the minister is going to reply to the presentation of the hon. member for Timiskaming.

Mr. Hicks: Mr. Chairman, as a past president of the Holstein association of Canada I feel I should say a word at this time. Through the press I have obtained some information about the case that has been mentioned and discussed for the last half hour. Personally I am absolutely certain that the president and the board of directors of the Holstein association are on the job for the sole purpose of breeding good cattle and keeping them pure. There is the odd case, of course, where a mistake is made but if a mistake is made that is no reason why these animals should be bred again and again. I know of lots of cases where the bull has cost $40,000 and where the cost of service has been $100 for a proven calf. I want to say here in this committee that any group of men who have been breeding Holsteins for the last 75 or 100 years would want to keep the breed pure. The way to do that is to look after the records properly, and that is what the association is doing.

Mr. Peters: I am pleased to hear—

Some hon. Members: Oh, no.

Mr. Peters: Let us not hear these gentlemen say, "No, no". I am getting fed up with some

of these western members who are not interested in anything except what concerns the western farmer. They are so ready to pass the other items.

Mr. Grafftey: You are wasting so much time, though.

Mr. Peters: I do not care if we spend a week on this item. It is very important to the eastern farmers. I do not care whether or not the hon. member for Brome-Missisquoi likes it. It does not interest me one iota.

Mr. Grafftey: What does interest us is the clarity of thought so that you do not take so much of the time of the committee.

Mr. Peters: You have no thought, let alone clarity.

The Acting Chairman (Mr. McGee): Order.

Mr. Peters: I have been pleased to hear the words of the past chairman of the Holstein-Friesian association. I am in complete agreement with him. Within the last 40 years, through the efforts of this association, this country has progressed from a position of having no purebred cattle to the point where out of about 130,000 registrations last year the Holstein-Friesian association had about 88,000. I think this is an excellent record. I feel that a good deal of the credit should be given to Mr. Clements and his father because the two of them have alternated in serving as secretary of this association for practically the lifetime of the association. The organization, however, has not been able to keep up with some of the faults that have appeared in it.

The past president of the organization may be interested to know that 16 or 17 registrations of Holstein cattle were discussed in this particular case. He may be interested in reading a transcript of the case, and he would find that the office of the Holstein-Friesian association in Brantford had made minor and major changes in seven or eight of these registrations. This would mean that almost one third of the cards had been changed. The best bookkeeping practices have not been followed. I agree that in many cases these changes have been made necessary because you cannot have two cows known by the same name. If they have the same surname, I suppose you would call it, then you would have to change the prefix.

I have been worried, as a result of reading the correspondence in this case, to find that the secretary of this association is very interested in getting this particular conviction. In my opinion, he was more interested in getting a conviction than in seeing that the case was really established. I do not know who is the mother or father of this particular little calf. If this were the British parliament I suppose we could get this calf legitimized by the simple process of passing an act as was done in England for years when they wanted to legitimize some member of royalty. There was a particular act passed for this purpose. I do not believe that is our intention here. What we are trying to do is to use this particular case as a warning of the type of thing that should not happen in this country. Our little people should be protected. The farmer should be given all the protection he can be given.

I have seen this farmer's herd of cattle and, although they are not registered now, they looked like very good cows to me. I am told that at the time of the investigation this farmer had only one cow on the premises which was not a purebred animal. It would seem very odd that he would jockey these animals around within the herd when that would not do him any good. I believe this was a particularly bad case. Let us take the example of a farmer who is in the milk producing business. Why would he leave a cow for three years without breeding her, when she should be producing milk the second year? Why would he wait that length of time, unless she was showing exceptional promise and her breeding was exceptionally high? He would have disposed of her before the end of the third year. The department maintained that she did not calve until she was three years old. There is no question raised about the second calf she was supposed to have had. If she had this second calf, the calf would have been premature by four or five months.

People can laugh this off, and the minister can say this is a matter of no importance. I am not sure whether or not the present Minister of Agriculture knows about this particular case. I know the arrogant attitude of the former minister, and I can well imagine that he would not have been interested in one little farmer, particularly in eastern Canada. I do feel the government must be interested in this matter. If we have a bill of rights which means anything, then it should protect all people. I have four or five letters commending the character of this farmer. I have letters from the bank in his area, from the dairies, from the cheese factory and from the farmers in the area. They all state that he is a highly respected man there.

If this farmer believes he did not get justice, then I believe the department should bend over backwards to ascertain whether or not he did and try to clear his name. These animals are valuable. Why should I go out and have them blood tested again, just to

prove whether the department is right or wrong? The farmer thinks he has a case, and he goes to the Department of Justice where they tell him that the time for an appeal has passed but they would be happy to consider a parole of a remission in this case. This gentleman wants to establish his record again. I am not too sure why he is interested to this extent. I do feel he has been very courageous in fighting this case the length of time he has. More important even than the fact he feels he did not get justice in our courts is the fact that the experts in the Department of Agriculture, in my opinion, do not feel they have a case that will stand up in a major court of this country. Frankly, I have checked with the department and they claim they will not use this case as a precedent.

An hon. Member: They do not give a damn.

Mr. Peters: Perhaps they do not, I am inclined to believe this is true. If it is true, they are making a hollow mockery out of the work of farmers who are interested in establishing a herd of purebred cattle. If the farmers feel the federal government is not interested or concerned in this matter, then they will be worried. This farmer has received the co-operation of the veterinary college and they are willing to supply information. If you will check the information that was given by those officials you will find that neither one of them gave evidence in this particular case that would be detrimental to the farmer. It would just as easily have established the farmer's case as it would have established the reverse. Weeks and weeks went by and pressure was brought to bear on the magistrate before a decision in this particular case was rendered. I am concerned, because, I have said we have always been interested in the increasing growth and the extension of the breeding records of our various purebred livestock in Canada.

In northern Ontario now we are seeing a great increase in the registrations of cattle both with respect to Holstein-Friesian and in the beef Friesian. This is reflecting now in the markets, in the community sales and the value for the products which the farmers themselves are getting. It is resulting in better milk production for the farmer and in increased sales. Among the farmers themselves we are now finding some with only four or five purebred cows who are willing to pay the premium price that is necessary in order to buy local purebred bulls. This was not true ten or 15 years ago. Very few farmers were interested in increasing the breed of their animals. Through the influence of Holstein-Friesian this has been extended into pigs, sheep, beef cattle and now horses. In our area there is a relationship between the artificial inseminating units in the work they do, and this work in the main is of an excellent nature. They are producing and they are giving the service they are supposed to give, but there is a possibility—and it will always remain—of a slip anywhere from the time that semen is collected till it is inserted by the agent in the artificial inseminating unit. It seems to me that the government itself, if it is going to continue to work towards increasing the breed, is going to have a great deal more consideration to the matter and a great deal more assistance from the federal government in this field. Within the next five or ten years the red factor in the Holstein-Friesian breed is going to be a major problem. It is going to be a problem that I am sure is going to cost the farmers thousands and thousands of dollars as it cost my brother this year when he expects a calf worth $1,000, when it is dropped you get a calf that is worth $22.

This is being repeated with this one particular bull. One out of every three calves carried the red factor and were not eligible for registration. The problem is how to eliminate or to eradicate this situation. The answer is not known yet. It certainly has not been tested in hogs where they have developed separate registration for these particular cattle. Any assistance that the federal government can give will be of great help to the farmer. I think that one of the things the minister could do is this. Certainly he is going to have to answer these questions because if he does not do so I will raise them in a legal context next time. I will document them and will go into all the grim and gory details of this particular case. We will go into this matter if the minister cannot give us some assurance that he is interested in this problem.

Mr. Grafftey: Is that a filibuster threat?

Mr. Peters: I will make it a filibuster or whatever you want to call.

Mr. Grafftey: That is what you can call a filibuster threat.

Mr. Peters: I am interested in seeing that justice is done. I will be quite happy in obtaining an explanation. If no explanation is forthcoming, then we will take other methods of obtaining one. I am no expert in this field. If I were I would probably not be here.

I can tell you this, Mr. Chairman. I can look around this building and I do not see many who can class themselves as experts on any subject. I have given some consideration to this particular case. I have read the court evidence. I have read the brief. Almost every hon. member has had the opportunity to do this. If they read it and found nothing of a

questionable nature in it, then they are in conflict with the newspapers that have read it and have found a great deal of conflict in it. They are in conflict with a number of people to whom I have talked privately. I think there is an obligation resting on the minister to give us some assurance that something will be done about this matter, that consideration is being given to this matter that has been raised on blood testing. The Holstein-Friesian association, in an article in their magazine, brags of the fact that they were able to establish this case, that now they had a precedent that was established and would continue for all times. In my opinion there was no precedent; there was a very weak case and at a very low level of court. It seems to me—

The Acting Chairman (Mr. Morton): Order. The Chair has been quite lenient with the hon. member in reference to the courts. I think that he must obey section 152 under which no slighting reference to the courts may be made.

Mr. Peters: I am surprised that this matter always arises, that even if you prove they are wrong, you have not the right to do so. This may be true. However, I will certainly abide by Your Honour's decision on that matter. I am concerned about this matter. If the minister has not studied the case, I would be happy if he would study it and would give us a reply at a later date. I am quite happy to take his word that he will do this. I feel that it is a rather complicated field, and one in which he would have the advice of people like Dr. Gamble and Dr. Humble, world renowned specialists in this field, that he would have the advantage of the experience they have had. If he gave consideration to this matter or if he were to direct his officials to do so, they might come up with a different conclusion in this particular case; and while it is much more important they might come to a conclusion that would allow a much better method of policing the Live Stock Pedigree Act itself.

As I have said, if we are going to be in the export market, we shall also be in the import market. We shall eventually find that our artificial inseminating units are buying cattle from Holland, England and other countries, the same as they have bought horses or purebred sires from Belgium and Percherons from other countries and eventually we are going to have to use this blood testing to establish an international record. They are going to have to have enough known factors. This only proves a negative; it does not prove a positive. However, it proves a negative. If we know definitely and have methods of knowing through control of artificial inseminating units —and we use no control over them now either from the federal government or elsewhere—once we know this, then we shall be able to question the farmer on the dam of that animal. We shall be able to say that we know the sire was particular animal and that these are the factors in the blood of that sire. But at the present time we are taking the word of four or five different people, including the veterinarian who takes the semen, the man who handles it in the laboratory, and they are all put into the laboratory at the same time and there is a great deal of opportunity for a mix-up there. Then there is the shipping and the handling through the transportation and then again the man who travels through the farming area handling the semen at that end. Until the government is in a position to guarantee the sire, how are we going to breed, for instance, a mare in this country to a purebred Belgian stallion in Belgium if we are not going to be able to prove at a later date that the sire of that mating is from that particular mating if the question arises?

We will not be dealing with small figures in this connection. These purebred animals which are used primarily for breeding purposes cost $20,000 or $30,000. This has become big business and anyone who is buying cattle for breeding purposes must be assured under this act that he is getting what he is paying for.

I should like to have the assurance of the Minister of Agriculture that he will consider this whole problem. We have discussed a number of other problems which in my opinion are not nearly as important as this one. We have an industry that has grown from a handful of purebred animals a year to the situation where we are now registering 130,000 such animals. This is not small business; it is a large industry in eastern Canada and it is one of the few industries in the farming field that is growing rather than going downhill. I think the government has an obligation to see that more teeth are put into this act.

We are already spending a considerable amount of money to maintain this particular division. It is doing a good job in other fields. The need is more obvious in other fields, such as compensation for the slaughtering of cattle affected with particular diseases. Obviously this is a more immediate problem and one that is seen more easily. Work has been done in this field.

We have already complimented the department and this branch of the department on the work they have done in the eradication of some of these diseases. I was pleased to note that my area was one of those that was made an area free of brucellosis. Work has been done in this field, but it seems to me that in the Live Stock Pedigree Act itself the department

was gleefully happy to obtain this foolish conviction. It is a conviction that in my opinion is more detrimental as a precedent, from their point of view, than it is advantageous. While it may have rapped this particular farmer's knuckles, it seems to me it has raised a question throughout the whole industry. I have talked to a number of farmers in the immediate area of this farmer, and they wonder why this was done. They have suggested to me that the reason it was done had no relationship to the case itself.

For this reason I think the department would be well advised to give more consideration to the technical aspects of this case. I think the department would be wise to reread the case. If they have an expert in the department, I should like him to answer this question. Everybody knows that the gestation period of cows is the same as for human beings, nine months. I should like to know how the department is able to reconcile this fact with the fact of a calf being born within four months after the cow is supposed to have been served the second time and six months after the first service. How does the department justify this in relation to this conviction?

If they can justify it then I think we probably need some new officials and I will be happy, after they have given consideration to this question, to recommend that if it is necessary.

The Acting Chairman (Mr. Morton): Shall the item carry?

Some hon. Members: Carried.

Mr. Regier: No. I hope we will hear an answer from the minister in regard to this matter. I received a letter from Mr. Rowe many months ago. Not being an expert in the field, and knowing that the hon. member for Timiskaming and his father were experts in this field, I referred the problem to my colleague the hon. member for Timiskaming.

I feel that there is a danger of bureaucracy arising in any organization, be it of lawyers, doctors, school teachers, Holstein-Friesian breeders or Yorkshire pig breeders. The moment you form an organization a vested interest is involved, and it is up to the government to ensure that the public interest is protected at all times. I believe that the case the hon. member for Timiskaming has presented is worthy of a reply.

I think you will have noted, Mr. Chairman, that the hon. member for Timiskaming was very careful not to sit in judgment on this particular case. He was only appealing for a fair deal. This has not been assured us by the courts. The government hopes to slide out from under by not replying to the hon. member for Timiskaming. I do not think they can get off that easily, and we insist upon asking the government what its intentions are in this regard.

The man who was convicted may well have been guilty, but the many problems which have arisen as a result of this conviction demand that we receive a reply and an assurance that a vested interest is not being established. We have seen vested interests established in so many other fields of Canadian life and I am sure Canadian farmers would hate to think that a vested interest was being established in any one of their particular departments. I believe the minister owes the hon. member for Timiskaming a reply on this particular case.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I have made it very clear that I cannot deal with this particular case because it was before the courts many years ago and was settled. I can say, to make it absolutely clear to the rest of the committee, that under this act we designate to the various breeders associations the right to set the standards and enforce them. If they find people breaking these standards and trying to make false registrations of calves, they come to us and we take the action necessary under the law.

So far as the general question of the scientific aspect of it is concerned, I do not think the Department of Agriculture here in Ottawa has to yield to anyone in its constant search for ways to improve the scientific factors that go into producing pure and true breeds. I am no expert on serology which is simply a big word for the study of blood factors, but I think in their searching for new techniques for finding new ways of identifying breeds, and so on, not only in relation to cattle and horses, but poultry and every other form of livestock under this branch, the record of the department has been very good. I know it will continue to remain so.

As as as this particular case is concerned, it has been before the courts, the courts have ruled on it and I am completely helpless to say any more.

Mr. Regier: In this particular case I would quarrel with the minister and the government, not only this government but perhaps governments of the past. The minister has said that the government has granted the right to certain organizations to set standards and enforce them. To me this is most despicable, because this parliament ought to be supreme and ought not to delegate its authority to any organization.

This is what I regret in the legal profession, the medical profession and even, in this

particular case, the Holstein-Friesian association. I think the public interest ought to be protected and that no legislature or parliament ought ever to forget the public interest and give to any particular vested interest the right to legislate and enforce its legislation without an appeal to the law makers of the land.

The minister has said that his department, or the government, has given these organizations the right to set standards and enforce them. I feel this is an abdication of the government's responsibility.

Mr. Hamilton (Qu'Appelle): We enforce them.

Mr. Regier: I may have misquoted the minister and if so I apologize and hope that he will correct me but if ever the House of Commons should delegate to any other body the right to set standards where the public welfare is concerned and also the right to enforce such standards I feel we should be most negligent in our duties. If the minister has any correction to make in that regard I shall be happy to hear him.

Mr. Hamilton (Qu'Appelle): The hon. member made one serious mistake. If I gave that impression I did not mean it. We—parliament, that is, not the government—delegate to these associations the responsibility for maintaining these standards but the enforcement is the responsibility of the only people who can enforce them, that is, the government of Canada through the law of Canada. If at any time the associations change the regulations they bring in we have to approve them.

We have to have in the working out of democracy some confidence in the professional groups of this country. What the hon. member has said today is an attack on every professional man in Canada and on every professional man and group in the democratic world. It is an attack on school teachers, dentists, lawyers, naturopaths, on any group of people organized in a professional body. Federal and provincial governments give these groups the right to set certain standards—with the approval of the government, it is true—and unless we have confidence in groups of people such as those who form these livestock associations I think the whole democratic process breaks down.

We have seen evidence tonight of this centralizing philosophy, this desire on the part of the new party to order everything under the federal government, to enforce their will upon the provinces, to enforce their will on professional associations such as these. Many of us stand here and have stood here all our lives prepared to defend the belief that parliament should have trust in various groups of people who have come together freely in Canada to carry out their plans. There has been a clear issue put forward here today and I think the hon. member and his friends will within the next few years regret the type of remarks which have been made in the committee tonight and these violent attacks on professional associations. These breeding associations have done a good job in trying to improve the breeding characteristics of livestock here in Canada.

Mr. Peters: That is a lot of poppycock we have heard from the minister. I did not say anything was wrong with the association though I believe they have made a number of mistakes. What I am questioning is the action or the attitude of the department itself. I do not think they are competent to give advice in this case and, incidentally, they did not give any advice in this particular case. Dr. Leslie walked around in the background prodding people but he did not get involved, and his technical advice was not used. Advice was given by the experts and those experts were all from the provincial government's veterinary college and it is certain that the federal government cannot hide behind the technical advances made by the Ontario veterinary college and say how wonderful their department is. Those experts are in Ontario; they are outstanding experts in the Ontario veterinary and agriculture college at Guelph. For the department to take credit for all that seems to me to be going very far.

I was impressed by the fact that Dr. Leslie appeared to want a conviction more than the lawyer did. I am afraid we shall have to make this case over again and let hon. members judge for themselves, telling the story as one would present a case. I had hoped the minister would give consideration to what I asked and that was not really a judgment on this particular case but that the department might be willing to go back on this case in relation to the establishment of the parentage of cattle in looking into this blood factor and making it part of the livestock act. This red factor has a great influence on the genetics of all the generations, yet the department has not seen fit to do anything about it in the form of an amendment to the act. It seems to me we are maintaining a large department with about the same record as that which looks after the Combines Investigation Act. We hear a lot of complaints but they have obtained very few convictions and this department is in the same boat. It has a lousy record. Let us not blame the Holstein-Friesian association and let us not be accused of blaming that association. They police it to the extent they are asked to police it but the department has

not put any teeth into the act or bothered to bring it up to date. The act is out of date in my opinion. No doubt it was revised in 1952 along with other acts but it is out of date in relation to the technical knowledge now available in the Ontario veterinary college.

Some hon. Members: Ten o'clock.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Pickersgill: I wonder if the leader of the house could bring us up to date as to the government's plans for the rest of the week?

Mr. Churchill: We shall carry on tomorrow with the estimates of the Department of Agriculture followed by the estimates of the Post Office Department. Tomorrow night I will announce, if needed, another department to be considered this week if the house makes rapid progress with the agriculture estimates.

Mr. Pickersgill: Is it understood that we go on with the estimates on Wednesday in that case?

Mr. Churchill: Yes, the intention is that on Wednesday we should carry on with the estimates. The same course will be followed on Thursday and Friday.

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

Questions

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of debates pursuant to standing order 39:

WHARF CONSTRUCTION, LAKE MEANCE, QUE.

Question No. 141—**Mr. Martel:**

1. Has the Department of Public Works ever had a wharf built on lake Meance, near La Sarre, Abitibi West, in the province of Quebec, as a tourist accommodation or for commercial purposes?

2. If so: (a) who requested such wharf, and who recommended to the federal government of the day that this wharf be built? (b) who was the foreman in charge of the construction of this wharf? (c) what has been the total cost of the said wharf? (d) what wages have been paid to the foreman and other persons employed in connection therewith? (e) who supplied the materials used in the construction of the said wharf, and what amount was paid to each supplier?

3. Has the federal government obtained a right-of-way on the road leading to this public wharf since the said wharf has been paid with public funds, and, if not, what does the federal government intend to do in this respect?

Answer by: **Hon. D. J. Walker (Minister of Public Works):**

1. Yes.

2 (a) The chamber of commerce of La Sarre.

(b) Auguste Côté, of La Sarre.

(c) 1949-50 Initial cost	$ 6,155.02
1951-52 Repairs	893.96
1956-57 Repairs	956.55
1957-58 Repairs and improvements	2,939.03
1958-59 Repairs	1,724.61
Total cost	$12,669.17

(d) $3,707.83.

(e) Materials: 1949-50, D. Bordeleau, $223.17; François Dery, $282.42; F. X. Martel, $238.00; Nap. Filion, $56.40; J. P. Poulin, $1,787.27; Abitibi Lumber Ltd., $72.00.

1951-52, Mercier Inc., $161.00; E. Lambert Enrg., $12.10; Abitibi Lumber Ltd., $720.86.

1956-57, François Dery, $173.00; Roland Roy, $30.60; Armand Bernard, $376.43.

1957-58, François Dery, $125.60; G. E. Lambert, $107.00; R. Petitclerc, $408.00; Armand Bureau, $1,316.93; Howard Bienvenu Inc., $88.00.

1958-59, F. X. Martel, $48.00; Mercier Inc., $17.25; J. E. Lambert Inc., $46.50; A. H. Emond, $48.00; H. Morneau, $89.76; C. Coutu, $480.00.

Services: 1949-50, F. X. Martel, $540.00; F. X. Martel, $330.00; Laurent Audet, $125.00; Leandre Audet, $450.00; Arthur Binette, $105.00; Gerard Lemieux, $112.50; Armand Hemond, $145.80; Emile Audet, $13.75.

1958-59, Garage Bussiere & Frere, $189.00; Garage Bussiere & Frere, $42.00.

3. No. No decision has been reached.

TENDERS FOR DECCA STATION, SHIPPEGAN ISLAND

Question No. 144—**Mr. Robichaud:**

1. Have tenders been called for the installation of a Decca station in Shippegan island?

2. If so: (a) were public tenders advertised, and on what date? (b) has the contract been awarded, to whom, and for what amount? (c) has the construction begun, and on what date?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

1. Yes, for a portion of the work only.

2. Public tenders were called in October 1960 for building and site development and erection of antennae, and contracts awarded to Tower Company Limited and Wind Turbine Limited for this work. These contracts covered other stations as well. The work involved at Shippegan amounted to approximately $109,000.

As indicated in the answer given on February 21 to an oral question, the department is still working on plans and specifications for the electronic equipment installation and adjustment. Work on site development commenced on March 2. The work on the antennae has begun at the contractor's plant following the contract award in January.

[The following items were passed in committee of supply]:

DEPARTMENT OF AGRICULTURE

Administration branch—

1. Departmental administration, including advisory committee on agricultural services, $911,098.

2. Information division including a grant of $26,000 to the agricultural institute of Canada, $710,519.

3. Contributions to commonwealth agricultural bureaux in a total amount of £46,384, notwithstanding that payments may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1960, which is, $127,092.

4. Economics division, $848,188.

Research branch—

5. Branch administration including Canada's fee for membership in the international society for horticultural science and $139,045 for grants in aid of agricultural research in universities and other scientific organizations in Canada, $1,899,219.

Institutes, stations, farms, laboratories and services—

6. Operation and maintenance including the costs of publishing departmental research papers as supplements to the *Canadian Entomologist*, $21-175,694.

7. Construction or acquisition of buildings, works, land and equipment, $5,710,538.

Production and marketing branch—

8. Branch administration including contributions to agricultural organizations to assist in the marketing of agricultural products, subject to the approval of treasury board (also includes the former item for agricultural products board administration), $1,001,970.

9. Agricultural Stabilization Act administration, $536,013.

Dairy products division—

10. Operation and maintenance including Canada's fee for membership in the international dairy federation, $904,988.

11. Grants and other assistance in accordance with the Cheese and Cheese Factory Improvement Act, $1,150,398.

Fruit and vegetable division including maple products and honey—

12. Operation and maintenance, $1,882,522.

13. Assistance in construction of potato warehouses under terms and conditions approved by the governor in council, $134,015.

Health of animals division—

14. Operation and maintenance including Canada's fee for membership in the office international des epizooties and authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from packers requiring special services, $9,940,601.

15. Construction or acquisition of buildings, works, land and equipment, $431,910.

16. Compensation for animals slaughtered, $2,220,000.

HOUSE OF COMMONS

Tuesday, April 11, 1961

The house met at 2.30 p.m.

TRANSPORTATION

ROYAL COMMISSION—INQUIRY AS TO REFERENCE OF REPORT TO COMMITTEE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister whether it is the intention of the government to send the report of the royal commission on transportation, which was tabled yesterday, to a committee of this house where spokesmen for the provinces and competing transportation systems could be heard.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I know of no case in which a royal commission report has been so submitted, certainly not during the time I have been in the House of Commons. I am not at all impressed by this suggestion.

Mr. Pearson: May I ask a supplementary question. Would the Prime Minister tell the house whether steps are contemplated to bring the proposed subsidies recommended in this report into effect before May 15, and if so what procedure is to be followed to this end?

Mr. Diefenbaker: The major recommendations of the royal commission report are receiving the consideration of the government. When a determination has been made as to the course which the government suggests should be followed, the house will be made aware of it.

Mr. Hazen Argue (Assiniboia): May I ask a supplementary question at this time. Could the Prime Minister tell the house whether legislation will be introduced prior to the end of this month, when the ceiling on freight rates is automatically suspended, or is the government considering an extension of the freeze on freight rates pending further action by the government?

Mr. Diefenbaker: I am sure the hon. gentleman will have heard the answer I gave the Leader of the Opposition. If I must repeat it, however, I would say that when the government has decided on the course to be followed, based on the recommendations of the report or otherwise, that decision will be brought to the attention of the house at the earliest possible date.

Mr. Argue: I wonder if the Prime Minister would inform the house whether the government has taken any steps to bring together the parties to the railway dispute in the hope that a railway strike can be avoided. Is the government prepared to make any recommendation to provide the employees with the benefits of the previous conciliation board report?

Mr. Diefenbaker: Mr. Speaker, in so far as the first question is concerned, the government did bring the parties together. In so far as the second question is concerned, I think I can add nothing more to what was said at the time the debate took place in the house wtih reference to this problem.

Mr. G. J. McIlraith (Ottawa West): I wish to direct a question to the Minister of Labour, and ask him whether the statement of policy made by him on November 30 last, as it appears at page 347 of *Hansard*, is still the policy of the government. It reads as follows:

> To require the Canadian taxpayer to subsidize the operating costs of the Canadian Pacific Railway Company would be setting a most dangerous and costly precedent.

My question is this. Is that still the statement of policy of the government?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I have not issued any statement contrary to what I said at that time.

(Translation):

LABOUR CONDITIONS

REFERENCE TO ARTICLE IN "LE DROIT" RESPECTING LAY-OFFS

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I should like to put a question to the Secretary of State. Is the Secretary of State aware of an article published in the newspaper *Le Droit* on April 10, concerning a rumour that a great number of civil servants will be laid off at the request of the government? If so, would he care to comment on that article?

Hon. Noel Dorion (Secretary of State): I regret, Mr. Speaker, but the article mentioned by my excellent colleague has not been brought to my attention. However, I take note of the reference of the hon. member and tomorrow, if I am able to do so, I will give him an answer.

Inquiries of the Ministry

(Text):

TRADE

PROPOSED U.S. RESTRICTION ON TOURIST IMPORTS

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of Trade and Commerce. My question stems from the concern of many Canadians whose business depends more or less on purchases by United States tourists. Can the minister indicate to the house whether the government or his department is going to seek or negotiate a trade understanding with the United States which would allow U.S. tourists to purchase goods to over the value of $100 to take back with them, an exemption which has been decreased to $100 from $500?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I regret very much that I could not make out the question that was asked by the hon. member. I will read it in *Hansard* tomorrow morning and will answer it on the orders of the day tomorrow.

URANIUM—INQUIRY AS TO NEGOTIATIONS WITH UNITED KINGDOM

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of Trade and Commerce whether he can bring us up to date on any communications or negotiations with the British authorities relating to the uranium drama that was interrupted when we broke up two weeks ago.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I have nothing further to report.

RED CHINA—INQUIRY AS TO NEGOTIATIONS FOR SALE OF WHEAT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Agriculture. I wonder if the minister would care to comment on a recent press report that officials of the Canadian wheat board are in Hong Kong negotiating the sale of a possible $200 million worth of Canadian wheat to China. Can the minister say whether any credit provisions are involved in these negotiations?

Hon. Alvin Hamilton (Minister of Agriculture): Before the recess I answered a question asked in this house by the Leader of the Opposition in connection with this matter. In my reply I said it was not in the public interest to disclose information as to any of the negotiations which are now in process with the countries with which we are dealing.

[Mr. Dorion.]

All I did say in relation to the discussions at Hong Kong was that we did have a mission there. I would like to leave it at that point.

Mr. Argue: Would the minister like to say whether the chairman of the wheat board is still in Hong Kong, or whether he has returned to Canada?

Mr. Hamilton (Qu'Appelle): As of some time this morning he was still in Hong Kong.

ADMINISTRATION OF JUSTICE

OTTAWA—USE OF UNAUTHORIZED FLAG AT SUPREME COURT BUILDING

On the orders of the day:

Mrs. Jean Casselman (Grenville-Dundas): I wish to direct a question to the Minister of Public Works. Did the Department of Public Works ever request that a charge be laid against Peter Hargreaves for damages to the flag pole in front of the supreme court building?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I want to thank the hon. lady for asking the question. The answer is no. I find that the Department of Public Works did not request that any charge should be laid against Peter Hargreaves, and as a matter of fact I find on investigation that no charge has been laid by any authority.

Restitution in full for the damage done to the flag pole in the amount of $135.75 was made this morning by a cheque payable to the Receiver General of Canada from the law firm of Beament, Fyfe and Company. Since restitution has been made in full for the damage to public property, and since the only possible complainant in this matter could be the Department of Public Works, I wish to state that the whole incident can be considered closed. In this statement, Mr. Speaker, I have the concurrence of the Acting Minister of Justice, who expresses the same view.

Mr. Benidickson: It looks as though the press gallery were wrong.

Mr. G. J. McIlraith (Ottawa West): I should like to ask the Minister of Public Works whether I correctly infer from his statement that the statement of the R.C.M.P. appearing in the papers yesterday was misleading.

Mr. Walker: Mr. Speaker, I have not read any statement of the R.C.M.P. I am responsible only for the Department of Public Works.

SUBVERSIVE ACTIVITIES

INQUIRY AS TO PERSONS ASKED TO LEAVE CANADA

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Solicitor General and Acting Minister of Justice. Can the minister say whether any person or persons have been asked to leave Canada since October, 1957 as a result of alleged espionage activity?

Hon. W. J. Browne (Solicitor General): Mr. Speaker, although the hon. member was good enough to give notice of his question, I believe this is the sort of question that is usually placed on the order paper. I wish he would do that.

FISHERIES

SEALS—REQUEST FOR INVESTIGATION INTO SLAUGHTER

On the orders of the day:

Mr. Walter Pitman (Peterborough): Mr. Speaker I should like to direct a question to the Minister of Fisheries. On March 20 the problem of the slaughter of harp seals was brought to the attention of the Minister of Fisheries. Could the minister indicate whether his department has made any investigation into the situation, and if so could he inform the house of any action taken by his department.

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I should like to thank the hon. member for giving me notice of his intention to ask this question.

A rather involved reply is required, and I will be happy to give a more comprehensive reply when my estimates are being considered by the house. However, with the permission of the house I should like to say in reply that harp seals are a species of seal that spend most of their lives in international waters off the west coast of Greenland and, in migration, between this area and the east coast of Canada, where the young are born on the ice floes off Newfoundland, in the gulf of the St. Lawrence and off the east coast of Canada at about this time of year.

The Department of Fisheries took estimates of the populations of these seals, for conservation purposes, by aerial survey in 1950, 1951, 1955, 1959 and 1960. Another survey will be taken in the next few weeks, in the latter part of April and the early part of May, so that a more accurate and detailed estimate of the population of this seal species can be arrived at.

A meeting was held in Halifax on December 8, 1960, at which the scientists and departmental officials outlined to representatives of the Canadian industry the scientific data available and the conservation measures required to ensure a maximum annual sustainable yield. The industry recognized the need for additional regulations but expressed the hope that these could be brought into effect gradually in order not to cripple their operations.

A regulation was passed requiring all Canadian sealing vessels to be licensed beginning in the 1961 season. Notes were sent to the governments of Norway, Denmark and France requesting that they confirm their earlier agreements regarding opening dates for sealing operations and that they give consideration to a proposed closing date of April 30. Norway considered this date too restrictive and suggested May 5 for the current season. Canada agreed to the Norwegian proposal for 1961 only.

I might add that this item is on the agenda for the next meeting of ICNAF, the international commission for the northwest Atlantic fisheries. I should also add that it has been observed this year for the first time that a Russian vessel has been sealing in the international waters off the east coast of Canada. Communications have been sent to the government of the U.S.S.R. requesting that they require their nationals to adhere to the general regulations.

SINCLAIR REPORT—CIRCULATION IN BRITISH COLUMBIA

On the orders of the day:

Mr. W. F. Matthews (Nanaimo): Mr. Speaker, I should like to direct a question to the Minister of Fisheries in connection with the Sinclair report, which deals with a study made of the licences of commercial fishermen in the British Columbia salmon and halibut fisheries.

My question is as follows. Has the report been circulated to the fisheries organizations in British Columbia, and does the government intend to get the views of the fisheries organizations and any other interested parties before considering what action may be taken on the report?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I wish to thank the hon. member for giving me notice of his question. The report to which the hon. member refers has been distributed, and the various fisheries organizations in British Columbia have been asked to submit their comments on it in writing before May 31. They have also been asked to submit at the same time any other views or proposals which they may have on the general problem.

Inquiries of the Ministry

I should also like to state that I would be interested in receiving comments and views on this report and on the general problem from any other organizations, such as sports fishing associations or other public bodies, and the general public who may have an interest in the matter.

UNEMPLOYMENT INSURANCE

ISSUE OF STAMPS TO CASUAL EMPLOYEES

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Yesterday the hon. member for Gloucester asked whether instructions have been issued by the unemployment insurance commission to all post offices throughout the country to discontinue the issuance of unemployment insurance stamps for casual employees. The hon. member's question continued:

If so, on what date were such instructions issued and does this mean that U.I.C. form 419-C has now been discontinued?

The unemployment insurance commission advise me that instructions were issued by the Post Office Department at the request of the unemployment insurance commission to discontinue the sale of unemployment insurance stamps except to employers registered with the commission. The post office instructions were issued on March 24, 1961, effective March 27, 1961. The use of form U.I.C. 419-C has been discontinued.

Mr. H. J. Robichaud (Gloucester): Is the minister aware that such a decision will involve extra expense to provinces and municipalities which are being called upon to pay 50 per cent of social assistance costs in order to take care of those who are being denied unemployment insurance benefits?

INDIAN AFFAIRS

SARNIA, ONT.—INSTALMENT PAYMENT ON SALE OF LAND

On the orders of the day:

Mr. John Charlton (Parliamentary Secretary to the Minister of Citizenship and Immigration): Yesterday the hon. member for Bonavista-Twillingate asked whether Dimensional Investments Limited has yet made the payment which is already in default in connection with Indian land at Sarnia. My answer then was:

I think I mentioned previously in answer to a question on this subject that the firm had 30 days grace in which to make the payment. That time has not yet elapsed.

In answer to a supplementary question by the hon. member asking whether the payment has yet been made, I undertook to obtain this information. Mr. Speaker, the answer is no.

[Mr. MacLean (Queens).]

Hon. J. W. Pickersgill (Bonavista-Twillingate): Can the parliamentary secretary inquire whether there are still proceedings in the courts with respect to this matter, and inform the house at a later date?

Mr. Charlton: I will endeavour to get that information.

NATIONAL DEFENCE

NORAD—INTERCEPT ACTIVITIES AGAINST STRATEGIC AIR COMMAND PLANES

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of National Defence. Has the minister had an opportunity to determine whether or not an order has been issued prohibiting air intercept activity by NORAD planes against aircraft of the United States strategic air command?

Hon. D. S. Harkness (Minister of National Defence): I think the hon. member is referring to an order issued, according to press reports, by the United States air force not to carry on any further intercept practices with the particular type of fighter which was involved in the accident with a B-52 a few days ago.

Mr. Hellyer: Could the minister say whether it was a general NORAD order; and if so, does it apply to Canadian squadrons attached to NORAD?

Mr. Harkness: I have no knowledge of it being a NORAD order.

FLOODS

MANITOBA—INQUIRY AS TO AGREEMENT ON RED RIVER CONTROL PLAN

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wish to ask the minister of northern affairs whether any progress has been made recently in the continuing negotiations with the government of Manitoba with respect to flood control on the Red river, and if it is expected that these negotiations will be concluded shortly.

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, the negotiations are currently under way. As to the time of their conclusion, I might say we will be able to announce that when they are completed.

NORTHERN AFFAIRS

INSTRUCTION OF ESKIMO CHILDREN RESPECTING UNION JACK

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. Would the minister care to comment on a report appearing in *Le Devoir* of April 3 to the effect that a manual in use in Eskimo schools in the Ungava region of northern Quebec contains a statement that the union jack is Canada's flag, along with eight pages describing the union jack in some detail? Does this mean that in the view of the Department of Northern Affairs and National Resources the union jack is Canada's national flag?

Mr. Speaker: The latter part of the hon. member's question seems to be leading, and suggests rather than asks for information. In regard to the earlier part of the question, I think it would be appropriate to place it on the order paper, because it is a matter of continuing interest.

Mr. Argue: Regarding the point of order you have raised, Mr. Speaker, I have in my hand the article, and I think it is exceedingly important that manuals used in Eskimo schools should be accurate in every particular, and that they ought to—

Some hon. Members: Order.

Mr. Speaker: Order. I quite agree that this is an important question but it is one for which the answer could be more properly sought on the order paper, as it is not a matter of immediate urgency but of continuing interest.

Mr. Argue: Mr. Speaker, on the point of order, I suggest this is of national importance and urgency, and that there should be no misleading information about a suggested Canadian flag.

Mr. Speaker: Order. The hon. member has already made that argument. I have given my decision and I hope he will observe it.

INQUIRIES FOR RETURNS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I would like to ask the Minister of Public Works whether he thinks it possible to expedite the order for return passed by the house in February with respect to correspondence regarding the Prince Edward Island causeway, so it would be available to us before we consider the minister's estimates.

Hon. D. J. Walker (Minister of Public Works): I would like to thank the hon. member for Bonavista-Twillingate for giving me notice, and I will certainly give serious consideration to his suggestion.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, in view of the fact that we have to dispose of the baby budget before we commence consideration of the budget for 1961, will the Minister of National Revenue accept a reminder that we have an order for return passed by the house with respect to orders in council under section 38 of the Customs Act as revised in 1958?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I think that order is in course of preparation and is perhaps completed. At any rate it will be tabled in the immediate future.

SUPPLY

The house in committee of supply, Mr. Flynn in the chair.

DEPARTMENT OF AGRICULTURE

17. Operation and maintenance including premiums on purebred sires and contributions for livestock improvement; stockyard supervision and furs, $2,861,681.

Mr. Peters: Mr. Chairman, it will be recalled that when this item was before the committee last evening I showed some concern regarding the procedures now being used under the Live Stock Pedigree Act to establish the registration of certain breeds of cows. It was my hope that without having to deal with the problem further the minister would give the committee the assurance that he would consider this case again, the only case of major importance that the government has ever used to establish a precedent under the Live Stock Pedigree Act by means of blood typing. I had hoped that the minister would consider the many new developments that have taken place as a result of the scientific advances in blood typing and allied fields, and that he would look into the problem that has been caused by the use of artificial insemination, particularly with respect to this type of case.

During the intervening hours the minister may have had an opportunity of looking into this matter. It is a long, technical, legal case, and I had hoped that he would give it consideration without my having to take the time to deal with it further. However, the minister has said that the case is settled as far as he is concerned and that he is not particularly interested in the developments that have taken place in the years following 1952, when this case was brought to the attention of the department. Therefore I

believe it is necessary for me to outline what this case was about and the developments that have taken place since which give rise to the claim by the farmer in question and other farmers in the area that a review of the case should be made, particularly in the light of the new information that is available and which has been presented in the form of a brief to the Minister of Justice and in modified form to all members of the House of Commons so they may peruse it at their leisure.

This case simply started from a domestic quarrel. The earliest information I have goes back to May, 1952. I have here a copy of a family court order which reads in part as follows:

> Enclosed please find copy of interim order 1048 against the above named man, which was confirmed by Judge Allan J. Fraser, on April 29, 1952, for the sum of $20 per month for one child. Case dismissed so far as Mrs. Rowe is concerned.

The family court case concerned Gerald Rowe. I am informed that shortly after the disposition of the case the wife, who had failed to obtain redress and had been informed by her husband that she was not going to be given a divorce, made a statement to one of the officials of the department in which she charged a number of things. An investigation was then commenced by the Holstein-Friesian association and a further check was made by a field man under the direction of Dr. F. J. Leslie, the chief registration officer.

The support case was in May, 1952. In December of 1952 a report was received by Dr. Leslie, the chief registration officer, and in the report there is reference to the number of cattle and some apparent infractions of the Holstein-Friesian registration regulations. The report reads in part as follows:

> I would refer you to the sentence beginning on line 20, page 2, "At the time the inventory was taken it was noted from Rowe's stable breeding book that 25 heifer and no bull calves were born in 1952." In the light of information received from Mr. Smith—

I believe Mr. Smith is a field man for the Holstein-Friesian association.

> —this sentence should read, "At the time the inventory was taken it was noted from Rowe's stable breeding book that 32 heifer calves were born in the calendar year 1952, of which 27 have been registered."

There seems to be a great deal of difference between the first and second sentences. The first sentence was based on what the wife had said, namely that 28 calves were born and that they were all heifer calves. When the field man inspected the herd book at the farm and made an inventory he found this was not the case. The government was now involved, and in my opinion could see possibilities in this case. There is reference to several other cases, and as to one of them it is said that page 3.A.4 should be disregarded in its entirety.

The next step in the case in question was the laying of charges under section 17 of the Live Stock Pedigree Act. Subsection 1 of section 17 reads in part as follows:

> (1) Every person who
>
> (a) Knowingly signs or presents, or causes or procures to be signed or presented, to the reporting officer of an association or to the person in charge of the Canadian national live stock records, any declaration or any application for registration or any transfer of ownership respecting any animal, containing any material false statement or representation—

In other words, for this section of the act to apply the crown must prove that the man knowingly signed a false declaration or knowingly made or caused to be made a false declaration. Incidentally, in this case there were five or six charges laid, only one of which was proceeded with, that involving one calf known as Mary Bess Supreme. This calf was born on May 8, 1951. The dam was reported by the farmer to be Lady Bess Rena Echo. The sire was reported to be Penvale Supreme. The registration numbers of the dam and sire were also given.

The calf in question was vaccinated under the federal-provincial brucellosis control program on January 26, 1952. Less than a year after the birth of this calf another calf was born on this farm, on March 8, 1952. That calf was known as Joyce Rag Apple Pet Echo. The sire was Bond Haven Rag Apple Marksman and the dam was Lady Bess Rena Echo. This calf was inoculated under the brucellosis control program on January 31, 1953.

The investigation took place in 1952, as a result of which charges were laid. The court case was heard in L'Orignal commencing on October 23 and continuing to November 18. The charge proceeded with was that Mr. Rowe knowingly signed an application for registration with the recording officer of the Holstein-Friesian association of Canada respecting Mary Bess Supreme, a female calf, containing a material false statement relating to the birth of the said Mary Bess Supreme, contrary to section 17(1) which I just quoted.

Now, Mr. Chairman, the evidence adduced by the government in pressing this charge was to the effect that this farmer had claimed the cow was serviced first on July 31, 1950. It was claimed by the artificial insemination unit, or their agents, that she received a second service on January 4, 1951. The farmer claimed the birth of the first calf took place on May 8, 1951. He also claimed and had registered for over a year and a half, when this case was heard, a second calf

from the same cow born on March 8, 1952. It seems to me that it would be quite a simple matter for the government to press charges in this case and conduct a blood test on both calves, because I assume they already have on record the blood type of the bull used in the first service. The government claimed it was impossible to get blood from the second bull because that bull was dead.

It seems to me that anyone who understands anything about cattle knows that the gestation period is nine months.

An hon. Member: You told us all that last night.

Mr. Peters: Yes, but perhaps many members were not here last night. Perhaps some hon. members knew this before, but certainly the officials of the court did not know it. If this cow had a calf from the first service the calf would have been born approximately on May 8, as indicated by the farmer on the registration certificate. If the cow had been bred a second time and the gestation period had started on January 4, 1951, then she could not possibly, by any stretch of the imagination, have had a second calf on March 8, 1952, because that calf would have been at least four or five months premature. If the cow, as the farmer claimed, was bred on July 31, 1950 and had a calf on May 8, 1951, there would have been the normal barren period of two months when the calf was very young. The cow would have been bred again around July, 1951, and this breeding would have resulted in the second calf being born as the farmer claimed on March 8, 1952.

A great deal of talk took place during this court case. The evidence is very extensive and covers four very large volumes. I suggest the transcript is not very good reading, because it involves technicalities which I believe had no bearing on the case and certainly have no bearing on the case I wish to make here. However, if anyone is interested he could read it.

Now, Mr. Chairman, under the Live Stock Pedigree Act the crown should have sought to prove that the first calf, Mary Bess Supreme, was registered as being born on May 8, 1951; that the name of the dam and sire respectively were given as Lady Bess Rena Echo and Penvale Supreme; that this information was false and that Mary Bess Supreme was not the progeny of such a dam and sire and also that the cow, Lady Bess Rena Echo, did not give birth at all, thereby rendering the said farmer guilty of supplying a false registration.

This case, if it had been accepted on its merits, would have established the legality of blood testing as a recognized method of establishing the parentage of animals. However, Mr. Chairman, the court case got so many things mixed up in it, such as whether cows can or cannot be bred during the gestation period, whether or not the semen was from this particular bull, that I believe the two agencies with which the farmer dealt should be supervised by the federal government. The first agency was the artificial insemination unit which maintains the bulls for service, and the second would be the people who are doing the work and handling the semen. They must be under federal control in order that the federal government may be in a better position to establish that the semen used is from a particular bull.

I believe the government should recognize the fact that the second calf, the birth of which has never been questioned, could not possibly have been born on the date suggested if there had not been the first calf. This first calf could not have been born from the second service, yet the government did not question the existence of the second calf. They accept this as a legitimate birth from the parents claimed by the farmer, yet the government questions the first birth. This course results, logically, in making the second calf premature by three or four months. I do not know how stupid some of the officials of the department are, but they must be very silly to adopt this technical position and expect to get anywhere with it.

In so far as blood testing is concerned, I may say this is a very interesting field. It is a field in which officials of the government and private research organizations have done a great deal more in the development of blood factors relating to animals than has been done in this field in relation to humans. They are to be commended for this. I do not believe there is any official or any veterinarian who will disagree with me when I make the statement that it is impossible to prove the parentage of a calf if there are two unknowns. If the bull is definitely not known, the parentage can be proven if the factors appear which establish the dam. Then only the sire would be in question. If the factors relating to the sire indicate that he could have been the sire of this particular progeny, then you would have reason to believe that the mating of these two animals could have produced this particular product. If, on the other hand, the cow is not known, by a reverse method and by a negative approach you could prove it was possible that this calf could have been the result of this mating or you could prove that this calf could not possibly have been the result of this mating.

In this case, Mr. Chairman, the farmer said the calf belonged to the dam but made no

claim that the calf belonged to the sire, because he was not in any position to know whether that sire had, in fact, produced the semen which the artificial insemination unit sent to him. He was in the position, therefore, of knowing only one of the parents. The department seems to have taken the attitude that if the artificial insemination unit said this particular semen came from this bull, then that was a known quantity and, therefore, this negative approach could be applied; it could be proven that this calf was not the result of that particular mating.

Now I should like to read some statements made by some people because they are very important. I have a letter written to Mr. Rowe from R. J. Humble, D.V.M., department of pathology and bacteriology. He is probably the foremost veterinarian in this field in Canada and has done a great deal of research. This is what he says:

> In regard to your inquiry concerning whether it is possible to prove parentage in cattle, the information you received from the United States is entirely correct on this point. As I have explained in previous letters, we cannot prove parentage. All that it is possible to do with this test is to show that certain animals could not possibly be the parents. Thus by the process of elimination we can usually eliminate all the bulls in a given group as not being the sire which will then quite often, but not always, leave one bull which could well be the sire, since he would possess the necessary factors, but we cannot prove that he is the sire.
>
> However, if it is possible to eliminate all of the bulls in a given group but one, then it might be reasonable to assume that the one remaining bull might be the sire if there was any chance that his semen could have been used to impregnate the cow.

This certainly does not indicate the falsity of the farmer's statement that this cow is the dam in question, if we do not know the particular bull—and at this particular insemination unit at the time they were using four or five bulls—without doing what Dr. Humble suggests should be done, namely eliminating all other bulls not only in this breed but other breeds. It should be noted in this case that the collection of semen that was made on that particular day in question was from two Holstein bulls. Only one of them was ever discussed and, so far as I know, no one in the court ever asked if the blood testing had been done on the second bull. Obviously it would not have been too hard to have mixed up the semen at the source, and if this had happened this would have been the answer to this particular case.

There are other people who have said that this cannot be proven. This is again from Dr. Humble:

> You may be aware that the parentage test done here at the college does not prove parentage by positive identification but by a test of exclusion. That is, certain facts in each case must be known: let us suppose that the problem is a question of determining which of two bulls is the sire of a calf. The facts of the case must prove that only the two bulls could possibly have bred the cow. Then by the parentage test, it may be possible to show that one of the bulls could not possibly have been the sire. Since there are only two bulls involved and the test has shown that it was impossible for one bull to be the sire, then by the process of elimination it would leave the other bull as being the sire provided it could be proved by other means that only the two bulls were involved. If three bulls were involved, then in order to solve the case, it would be necessary to eliminate two of the bulls and leave the third as the likely sire.

I think this is correct, Mr. Chairman. If it is correct, why did Dr. Leslie not blood test the second bull in the artificial insemination unit on that date? He did not do it for the simple reason that he was not interested in establishing an honest case. He was interested only in getting a conviction on information that was given to him from another source that had absolutely nothing to do with either the Holstein-Friesian Association or the Department of Agriculture. This is why it was not done. This is why Dr. Humble in his evidence proved as well that this case was not an honestly established case, that there was reasonable doubt and that as well he could have established the other side; and it was only by the application of the information he gave the lawyers in the manner in which they used it that they were able to prove that what they did, when it would have been just as easy to prove the opposite.

The University of Wisconsin also had something to say on that matter. In a letter from the department of genetics Mr. M. R. Irwin states as follows:

> In order to make any appraisal whatever of the identity of a calf as belonging to particular parents it would be necessary to have samples of blood of the calf, of the dam and of the sire. Without having samples of all three it would be impossible to state that the calf could not have come from a particular mating. The evidence from the blood tests will tell only that a calf can be excluded as belonging to the particular parents, whereas if the blood type of the calf is such that it could have come from the proposed parents, there are other individuals also which could have been the parents of this calf. In other words, it is not possible to prove parents by the blood test, only to make an exclusion.

There are other sources of information that would indicate that this was so. For this reason I think the government or the department, if they wish to establish an honest case and at least convince me and I think a number of the other members who are concerned about the breeding of cattle, are going to have to exercise much better control over these two aspects that fall within the jurisdiction of the department. I refer to the artificial insemination units and the

testing of cattle where there is a dispute and this is used as a factor in the establishment of cases under this particular section of the livestock registration act. I wrote to a veterinarian whom I know and he had this to say about this particular case—

The Chairman: Order. I am sorry to interrupt the hon. member, but his time has expired.

Mr. Milligan: I should like to make a few remarks in connection with this case. I have known Mr. Rowe and of this case for some three years, and I am sure there are other members of this House of Commons as well whom he has contacted in connection with this conviction. I have read the evidence. I want to congratulate the hon. member for Timiskaming for the detail he has gone into in connection with this case. I think this is one case in which a man has not had justice. He has spent a great deal of money. He has worried himself sick over this particular case. I am sure he must be innocent or he would not be doing it. He also retained a lawyer and paid his $100 fee for an appeal in this case. His lawyer allowed the 30-day time limit to run out, and Mr. Rowe has never had any support from anyone anywhere in order to allow him to bring this matter to a new trial. Why it was done in that way I do not know. We do know, as the hon. member for Timiskaming has said, that there are family troubles there that are serious and that they are having a severe effect on this man's whole life and his farming operations.

A great many people may feel that this is a case that does not amount to too much. However, those of us who are producing purebred livestock know this is a serious situation. If this man is innocent he should have an opportunity of another trial and getting this thing straightened out.

Then again, this case might be used as a test case against some of us who are producing purebred livestock. I am sure that in the evidence I have read there is not enough to justify a conviction against this man. I would hope the minister would see his way clear to do something in order that this man might have another opportunity to present his case, to have another trial and to see what the outcome would be. In the interests of livestock producers across Canada I am sure it would be to their benefit and also to that of Mr. Rowe.

The Chairman: Shall vote 17 carry.

Mr. Peters: I am certainly pleased to know that one of the other dairy producers is interested in this case. I have received a great deal of mail from farmers who are interested. I think we can indicate that there is enough of a question being raised for something to be done. I am quite happy to bring this information to the attention of the general public, because I think only in that way will it result in the department taking the legislation and bringing it up to date, which will result in justice in this case and the establishing of a proper use of blood testing to establish cases.

I pointed out a few minutes ago something that is referred to on pages 34 and 35 of volume 2 of the evidence in this case—

(Translation):

Mr. Deschatelets: Mr. Chairman, I have no intention whatsoever of preventing my hon. friend, the member for Timiskaming (Mr. Peters), from discussing the case he has been talking about since yesterday. In fact, he has been allowed a great deal of latitude in doing so. I wonder, however, whether the standing orders allow a member to discuss evidence submitted before a court when a judgment has been passed.

Not so long ago I raised a grievance myself in this house and, at that time, Mr. Speaker prevented me from going on when he suggested my grievance had been before the courts and that judgments of the superior court and the court of appeal had been passed. In short, since the courts had given their verdict, Mr. Speaker decided that I could not proceed with my argument. Now, since yesterday, the member for Timiskaming has been arguing about the evidence given. He even said that a certain witness did not testify with all due care.

I wonder whether this debate is in order. I do not wish to prevent any member from making his point, but since we have been hearing about this since yesterday, I wonder if this discussion is not out of order.

(Text):

Mr. Peters: On the point of order, Mr. Chairman, I do not intend to make a legal case. I am not fighting that aspect of the matter. I am suggesting that the item we are now discussing involves the improvement of livestock through breeding records and the various protections that are given by this act. I am attempting to indicate that a change is needed in this act to take into consideration artificial insemination, which was not a factor a few years ago when the act was put into effect.

Second, I am trying to influence the minister and stir up public opinion for the establishment of blood typing in a more positive way under this particular act. The only reason we are referring to this particular case is that it is the only one in connection with which the department has ever made any extensive study. As far as I know this is the

only case where these matters have been discussed at great length in Canada and I would appeal to you, Mr. Chairman, to allow me to make this point.

I will stay away from the court case itself, except to quote extracts that strengthen or support the argument which I am attempting to make for changing this particular act.

The Chairman: I would agree that if the hon. member intends only to attempt to correct the act concerned under this item, he would be in order. However, I must say that at times he came very close to criticizing the courts. I must remind the hon. member, and also the hon. member who preceded him, that all references to judges and courts of justice and to persons of high official station, in the nature of personal attack and censure, have always been considered unparliamentary. Therefore any discussion of the manner in which the trial of this particular case was conducted may in some respects be a criticism of the court or the judge and would be out of order.

I trust that the hon. member will use the example of this case only as a reason for correcting the act and not for criticizing the court or any justice.

Mr. Peters: I was pointing out that on pages 34 and 35 of volume 2 of the evidence in this case Dr. Smiley says that he drew semen from Penvale Supreme on July 30, 1950, which was a Sunday. On that day semen was also drawn from another bull, Elle Cross Snowflake Triune. On page 36 the doctor goes on to mention the process by which this semen was drawn off, and left open and again it was respecfully submitted that this was a further occasion when the semen could have become mixed.

I was suggesting that if the department in this particular case had thought the matter out more carefully than they did, they would have been fair to the farmer by testing all the bulls that were involved. The department should have tested all the bulls that could have been involved in a very simple mix-up, because semen was drawn from two bulls on that particular day. I think the department had an obligation to do this and not only to obtain a conviction, because I do not think it should be the prime interest of the department to obtain a conviction. In all fairness they should have given the benefit of the doubt to the farmer, to the extent of at least testing the second bull that was being used in the unit.

If the department had done that they would possibly, by the exclusion method, have established that this second bull might have been the sire of this particular progeny. If this had happened—and it may well have happened—there would have been a different result in this case. In any case, the farmer should never have been asked to prove the sire of this particular calf when he had used artificial insemination. When the farmer receives the service slip from the artificial insemination unit he has to take what is on that slip as being the source of the semen, and he has to accept the name appearing on that slip as the name of the bull which sired the calf he registered with the association. He has to do this because he has no way of telling where that semen came from or what bull it was. He obviously has to take the word of the artificial insemination unit in this connection,

When the doctor, during this case, proved that the mating of the dam and the sire in question could not have resulted in the birth of this particular calf, in my opinion all this meant was that one of the parents named in connection with that calf was not the proper one. I should think there would be as much question about the sire as there was about the dam, particularly when a mix-up can occur much more easily in that field than in any other.

I recently received a letter from a friend of mine who is a veterinarian. He had this to say:

> In regards to the Rowe brief, it certainly looks as if he got the dirty end of the stick. Most insemination units now colour their semen so that these mistakes can't happen. If I were the judge and was confronted with such evidence and knowing how some of these technicians work, I would throw the case out.
>
> In my opinion the cow could have definitely been pregnant and come into heat and be bred by a technician again. Only a great deal of training and experience enables you to tell if a cow is pregnant at five months with certainty. It is possible, although difficult, to pass an insemination tube through a gravid (pregnant) cervix without causing an abortion.
>
> Human error could have caused a mix-up in the semen at any point along the line from collection to insertion.
>
> The parental blood test is pretty accurate even with the 15 factors, let alone the 40, but if the semen was mixed this wouldn't apply.
>
> The fact that units colour their semen now indicates that there have been some admitted mistakes in the past. I personally know of some cases where the semen has been mixed not only by the technician but by the collector.
>
> I hope this helps a bit. C. A. V. Barker of the college is world known on insemination work and evidently his testimony wasn't even considered, which alone would justify reopening of the case.

This veterinarian owns a large hospital; he is a technician and a highly qualified veterinarian. He points out that artificial insemination units now colour the semen that they use.

I could go on and point out that in this particular case we have further evidence in connection with certain cows on this particular farm. There are affidavits from five people. One declares that three Hereford calves were born of purebred Holstein cows

and were sold to Arthur E. Lalonde. There is a declaration from Arthur E. Lalonde stating that three Hereford calves were purchased from Gerald Rowe in the first week of December, 1953, and they were sucking Holstein cows at that time. There is also the declaration of Raymond Lalonde which corroborates the evidence of Arthur E. Lalonde. Then there is the declaration of Robert Lalonde, who is no relation to the other Lalonde, that a Hereford calf was born to a Holstein cow. There is also the declaration of Orville Rowe verifying what Robert Lalonde declared and adding that they were the same cows as were sold to Arthur E. Lalonde.

These things happen. They have happened in this case. I indicated last night that this artificial insemination unit and their technician bred a cow that had been dead a month, as a second service. The technicians are not all exact. This man points out that sometimes his wife looked after the slips and sometimes he did. Sometimes he did them that day and sometimes he did them other days. This case could not have resulted in the statement which appeared in the Holstein-Friesian paper, as follows:

> For the first time in Canada and possibly in any country, result of a blood typing to prove parentage of an animal has been submitted to court and accepted as evidence. In this case it was accepted as proof that the heifer, Mary Bess Supreme, could not be the daughter of the cow, Lady Bess Rena Echo and the sire, Penvale Supreme, as claimed by Mr. Rowe.
>
> In delivering his judgment, Magistrate Lalonde stated the prosecution had proved by two different methods, practically and scientifically, that the parentage of Mary Bess Supreme, as stated in the application for registration, was false.

That is not correct. This statement which appeared in the Holstein-Friesian magazine it not correct. They did not prove this. They could not prove this. It is an impossibility to prove it when there is too long notice. Dr. Humble has admitted that it cannot be proved. Only an exclusion can prove that certain bulls could not have been the parents of cattle. They could not prove in this case that certain bulls were not the sires, and the Holstein-Friesian association is stating something which is not true.

I have nothing but respect for the interests, the aims and the aspirations of the Holstein-Friesian association, but I am very surprised at some of the bookkeeping they do. I should like to refer to one instance, because the Holstein-Friesian association comes directly under this department. If there is any infraction the department has the right to take it over and administer it. This case was decided in February, 1954. In February, 1955 Mr. Rowe received this letter:

> You are aware in accordance with our letter to you under date of June 2, 1954, that at a meeting of the executive committee of the association, held in Toronto on May 26, 1954, you were expelled from membership in the association and your certificate of membership was cancelled.

The letter goes on to say just what is involved. That was on February 21, 1955, and it resulted from his expulsion on May 26, 1954. But on July 17, 1954 the association sent him a card over the signature of the secretary in which they said his dues were not paid. So he sent them a money order, and that money order was received on July 27, 1954. It was accepted by Mr. Clemons, the secretary of the Holstein-Friesian association, without a protest. In July, 1955 a second notice was sent, saying again that his dues were due and asking him to send in the money to become a member again. After that second letter had gone out they sent him a notice acknowledging receipt of his money order, and when the post office checked on it they found it was received by the same person and cashed by the same person with no protest. They also sent the same gentleman forms to fill in to have his cattle graded as an official member of that association. Yet in their letter they go on to say:

> If you persist in spreading false information among the breeders and members of the association, claiming that you are still a member or that you have been reinstated, we shall have no alternative but to give further publicity in the Holstein-Friesian *Journal* to the fact that you have not been reinstated and that you are not a member of this association.
>
> I trust you will see the good sense of avoiding this action by making no further unwarranted claims.

He paid his dues, and he received a receipt for those dues. Again, the second year, he paid his dues, and I suggest he was a member in good standing at the time this letter was written to him. The receipts here can be filed with the minister if he wishes so he may see that these statements are correct.

All I am saying is that the association, as well as everybody else, can make mistakes, and it seems to me that the farmer has a rough enough time in this country in upbreeding his stock and trying to better conditions for himself and for the industry generally without the department working against him. In my opinion this department should be working for the farmer rather than against him. I am happy to think that most departments of government, and certainly most of the divisions of the Department of Agriculture, are working for the benefit of the farmer. Sometimes they are slow, but usually they work for his benefit. However, in checking over this information as a result of the inquiries which have been made I find that all we have done is to assume that the farmer is guilty and that everybody else has been right.

I am suggesting that this case should be reviewed by the department itself in the light of further developments in scientific knowledge which have taken place. We should remember that back in 1952 artificial insemination was not used as widely as it is today, and in view of the many mistakes which have been made—the hundreds of mistakes which have been made—and the fact that semen from bulls is now being coloured in order to prevent mistakes which everybody admits have been made, is it not the fair thing to give this farmer a second chance and at least go back and check the second bull which was being used in the unit and check the second calf involved in this case? Both calf and cow are alive; in this respect we are no further away from the case than we were then. I think the department has an obligation to do this for its own satisfaction.

I should also like to suggest to the department that they take cognizance of some of the mistakes which have been made by the artificial insemination units by insuring that more training is given to some of the officials in the early stages. A better type of training should be given to some of the people who are doing this work at the present time. They have done this work on occasions without any training at all. Certainly this technician had less than no training, because he was trained by a man who had never done the work himself. Though he may have improved over the years his bookkeeping is still as sloppy, according to the last report, as it was in the case in question.

I think the department has an obligation to interest itself in this particular field. It might not be as important as western agriculture or some of the things which concern western producers but it seems to me the farmers in eastern Ontario are going to be watching very carefully to see whether the government is taking any interest in this. They will not be too impressed by the minister standing up and talking about the New party and what it stands for. Frankly, cows are not interested in the Conservative party; they are not interested in the New Party or in any other party. They, and the producers of these cattle, are interested in getting the best guarantee they can that the semen which they buy for the cattle they are producing comes from the bulls that they expect it is coming from. It is only on rare occasions that farmers meet with any question regarding a cow not being the mother of a calf, and certainly in this case when there are similarities in the markings of the cow and calf very little question can be raised.

Last night many hon. members laughed as though they did not believe there was any importance attached to these similarities, and suggested that we remove such references from the back of the Holstein-Friesian registration cards. I suggest that they appear there for the purpose not only of identifying the cow but to establish similarities in certain lines. While it is true that a white cow bred to a black bull may not produce a calf the colour of the mother or the father, it is likely there will be a predominant colour of either the dam or sire in the calf. This is an important enough matter that the breeders of particular types of cattle have used it for purposes of identification over a great number of years. Unless the government is now suggesting a new method of identifying this particular type of cattle I think consideration should be given to the similarity in markings in this particular case.

I will not take advantage of the opportunity, which I think I have and would be justified in using, to conduct a filibuster on this matter. I will leave the decision to the Department of Agriculture, and if it corrects this situation I will have a great deal more respect for it than if the officials sit back and say to themselves that the case is closed and legally cannot be reopened; there is a conviction, and whether it is good or poor, let it remain.

Item agreed to.

19. Grants to agricultural fairs, exhibitions and museums in accordance with regulations of the governor in council; payments pursuant to agreements in force on March 31, 1961, with exhibitions covering the construction of buildings and other major undertakings; and a grant of $50,000 to the royal agricultural winter fair, Toronto, and freight assistance on livestock shipments for exhibition thereat, $967,600.

Mr. Carter: I would like to ask the minister in regard to these grants whether he has a provincial breakdown, and whether any grants are made in Newfoundland.

Mr. Hamilton (Qu'Appelle): I am informed that we have an agreement with the government of Newfoundland and do not pay grants to particular fairs, but make an overall grant each year to the government of Newfoundland.

Item agreed to.

20. Special grant to royal agricultural winter fair, Toronto, $450,000.

Mr. Hales: I would like to take this opportunity of expressing the appreciation of the members of the royal winter fair board of directors and other interested people for this special grant of $450,000. This is one more evidence of the great interest this party has in agriculture, and I am sure this grant will go a long way towards the improvement of this great show.

I understand that at the closing of the last royal winter fair, work was commenced to remodel the buildings, and that when the new fair opens this fall it will be possible to house within the new building the cattle of the New Queen's class. I understand there will be a new building to take care of swine and a building for sheep. These additions will be a great asset to this fine winter show in Canada. I repeat, that those individuals interested in agriculture will appreciate very much the efforts of the minister in this regard.

Mr. McFarlane: Mr. Chairman, referring again to item 19 I would like to bring the minister's attention to the fact that at the present time grants are made to fairs of fairly good size. I would just like to mention section 5(b) of the regulations, where it says that an application must be accompanied by a statement certified by a responsible officer of the fair showing details of the prize money paid by the fair in respect of specific exhibits in each of the three preceding years, showing that in each year the prize money paid amounted to not less than $5,000. In my own area we are endeavouring, and have been for the past several years, to encourage the establishment of agricultural fairs and exhibitions, and I refer specifically to the East Kootenay agriculture and industrial exhibition which is held in the lake Windermere valley.

I suggest that some consideration should be given to these regulations so that assistance can be made available to smaller exhibitions such as the one I have just mentioned. The larger exhibitions and fairs have various means of raising money and are in a position to post $5,000 in prize money, but unfortunately the smaller organizations cannot do so. The organization to which I have referred, operating in the Windermere valley, has a hard time financing its operations and could use any assistance the department might offer. I have raised this matter on two previous occasions, but so far have had no response. I hope some consideration will be given to this suggestion.

Mr. Roberge: Last year in this committee I spoke in regard to an annual event which takes place in my riding having to do with the promotion of maple products, called the maple festival. This festival was organized two years ago and attracted approximately 4,000 people at that time. Last year there were approximately 10,000 people in attendance, and it is expected that this year somewhere in the neighbourhood of 15,000 to 20,000 people will visit this annual festival. This organization was designed to promote the sales of maple products in the province of Quebec and throughout the country. It was encouraging last year to note that some people from the United States were interested in maple products and attended that festival. I think as a result of the work done by this organization maple products are better known today than in the past.

I suggest to the minister that a grant be made to this organization, if possible, which would be of considerable financial assistance in the holding of this annual event. This festival is taking place this year from April 30 to May 6.

(Translation):

Mr. Boulanger: Mr. Chairman, I should like to ask the Minister of Agriculture to explain the increase of $440,000 in the amount he is asking, under item 20, for the year 1962.

(Text):

Mr. Hamilton (Qu'Appelle): The agreement with the royal winter fair has been in effect for some years. There has been an amount in the estimates each year for this grant, which has not been taken advantage of. Last year the grant was dropped to a nominal $10,000. This year the fair officials informed me that they were prepared to go ahead. When we get a statement from them as to the actual amount being spent we will pay one-third of the cost, our estimate is $450,000 for our share of this year's expenditure.

(Translation):

Mr. Boulanger: The Minister of Agriculture has not seen fit to reply to the question of the hon. member for Megantic (Mr. Roberge), about the request for a subsidy on maple products.

I support the request of the member for Megantic and would ask the minister to indicate whether he thinks a reasonable amount might be granted for the holding of an exhibition in the eastern townships. The idea is to promote the sale of a national product, coming as it does from a tree whose leaf we hope will some day grace our distinctive national flag.

(Text):

Mr. Hamilton (Qu'Appelle): Mr. Chairman, periodically we get requests from members for grants to exhibitions or fairs in their ridings. There is a regular procedure to be followed with regard to bringing these matters forward and having them assessed in the light of the regulations in order to see what can be done. I suggest that the hon. member for Megantic submit his application in the same way as anybody else.

Item agreed to.

21. Special grant to Pacific National Exhibition, Vancouver, $200,000.

Mr. Drysdale: Mr. Chairman, I want to make one or two very brief comments about the Pacific national exhibition. First of all, may I say that in my opinion the directors have been doing an excellent job as far as British Columbia is concerned and have attracted to the exhibition a tremendous number of people from coast to coast. I am particularly interested in this item, as are the citizens of Vancouver, because at present there is a certain amount of difficulty as to the type of building and the potential location. I notice that these grants generally apply to buildings located on exhibition grounds. Could the minister outline very briefly the terms of this special grant and tell us whether or not it is possible to establish exhibition grounds in central Vancouver as well as at the Pacific national exhibition park? Is it possible for an exhibition building to be located in central Vancouver which might be used for agricultural purposes and other purposes as well?

Mr. Hamilton (Qu'Appelle): The question raised by the hon. member for Burnaby-Richmond has been before me for the last few months. The conditions of this grant to the exhibition in Vancouver were that the building would be used for agricultural purposes but there would be no objection to it being used for other purposes if the main purpose was agriculture. I cannot make any statement as to the question of location. If it was going to be used for agricultural purposes I think the department would rule that it should be located on the exhibition grounds and not downtown in Vancouver. I wonder whether we could reserve this item until the end of my estimates?

The Chairman: Shall this item stand?

Mr. Drysdale: The minister wants to have the item reserved until the end of his estimates and I would ask that during the intervening time he direct his mind to the point I mentioned, the question of exhibition grounds. As far as I can ascertain, there is nothing in the act or regulations defining exhibition grounds. Let us say that a location was picked in downtown Vancouver and designated as exhibition grounds and a building was erected primarily for agricultural purposes but for other purposes as well which are of considerable interest to the people of Vancouver. I would ask the minister to consider whether or not that is a possibility. It would then be a building on exhibition grounds, and I do not believe the minister has resolved the problem by stating that the building can only be on exhibition grounds.

[Mr. Hamilton (Qu'Appelle).]

Mr. Hamilton (Qu'Appelle): All I can say is that such a serious matter would have to be given the most careful consideration. These special grants are given to exhibitions for national agricultural reasons and when any digression from the general terms of reference is suggested it has to be given very careful consideration.

The Chairman: Shall the item carry?

Mr. Regier: I understood that the item was to stand.

Mr. Hamilton (Qu'Appelle): I asked whether it could stand.

The Chairman: Shall vote 21 stand?

Some hon. Members: Stand.

22. Grants to agricultural organizations as detailed in the estimates, $260,250.

Mr. Carter: In the details on page 116 I notice that approximately half of this allocation is for 4-H clubs and the 4-H council. I want to commend the minister for the support he is giving this movement and at the same time I wish to pay tribute to the good work that the 4-H clubs are doing in my own province and I am sure all across Canada. Can the minister tell the committee how many 4-H clubs are in existence at the present time?

Mr. Hamilton (Qu'Appelle): I have the information in my briefing book and I can get it for the hon. member.

Mr. Carter: It is not that urgent.

Item agreed to.

23. To authorize, notwithstanding sections 33 and 35 of the Financial Administration Act, the issue by the Minister of Agriculture, in accordance with terms and conditions prescribed by the governor in council, of premium warrants for high grade hog carcasses, and to authorize the charging to this vote of the value of premium warrants at the time they are issued and the value of any unredeemed premium warrants issued in previous fiscal years, notwithstanding that the total value of all premium warrants to be charged may exceed the estimated cost of the program which is, $6,865,000.

(Translation):

Mr. Boulanger: Under item 23, may I ask the Minister of Agriculture whether, in view of certain statements he made in recent speeches, he will raise the quota of hogs eligible under the Agricultural Prices Stabilization Act. May I also ask him whether he has a statement to make on the raising of the number of dozens of eggs on which the government will pay subsidies under the Agricultural Prices Stabilization Act, something he has mentioned in a number of instances in those speeches?

(Text):

Mr. Hamilton (Qu'Appelle): This item has to do only with the paying of premiums on hogs. It has nothing to do with quotas and the stabilization act.

(Translation):

Mr. Boulanger: I realize that this applies to the payment of the premium. However, if I may be allowed to wander slightly from this item, I was just asking whether he had any statement to make. I am convinced that the farmers would be interested in knowing whether the number of hogs and the number of dozens of eggs will be raised during the next session.

(Text):

Mr. Hamilton (Qu'Appelle): When we were discussing this matter last evening I made a statement with regard to hogs and eggs. In specific answer to the question asked by the hon. member, I should like to point out that during this calendar year the present hog price support and the present limit of 100 hogs are in effect but I hope that during the year I can resolve some of the difficulties I see and come up with a formula that will do a little better job in achieving what we have in mind. I should like to point out that, having regard to the way the trade operates, the difficulties in dealing with this matter are very great.

Mr. Milligan: Mr. Chairman, I should like to say something with respect to what the hon. member for Drummond-Arthabaska has said. I do not quite agree that we should increase the number of hogs. I think that the floor price should be increased to a more reasonable level because in my opinion $22.65 does not bear a reasonable comparison with the cost of production of hogs, particularly in Ontario, Quebec and the maritimes. When we limit the number of hogs on which deficiency payments can be drawn I think the price should be at level that will return to the producer at least his cost of production plus a reasonable profit. I think that is necessary if we are going to have any stability in the hog industry. If a limit of 100 hogs is going to get us into a surplus position, then in my opinion we should reduce it to a figure where we are going to keep production in line instead of increasing the limit.

I should like to say a word in connection with the increase in the premium on grade A hogs. I am quite pleased to see that the minister did increase it to $3. I am disappointed, however, that there has not been a greater increase. I think we should be capable of a little more foresight in our attempts to encourage producers across Canada to produce quality products. It is about five years ago since I took part in a federation of agriculture meeting in Calgary at which the premium on grade A hogs was discussed. Views were expressed both pro and con, but the majority of the members felt the premium should be increased to $4 per hog. In view of the fact the majority in favour of this course was small, the resolution was never presented to the Department of Agriculture with the result that the advantage of this move has been lost for a number of years.

It must be quite apparent to everyone who looks at the results achieved by the $2 premium that we have increased the number of grade A hogs by only a little over 32 per cent. This is rather ridiculous when compared with the 80 per cent of grade A hogs being produced in Prince Edward Island, Denmark and Holland. We should be using our best efforts to find markets for livestock products in Britain instead of trying to find markets for grain. I never could understand why we sell our western feed grains to Holland and Denmark where they are fed to hogs, the production of which is subsidized by the government and which hogs eventually compete with our hogs in the British market. I believe the Danish product has captured the British market only by reason of the quality of that product. I know I was there a few years ago and a chap was showing me a handful of western barley which he was feeding to hogs which were sold on the British market. At the same time this chap was selling his own barley to the brewery.

It seems to me we have to produce a better quality product than we are at the present time if we are going to get a share of the export market. There is no reason why we cannot produce as good a product as is produced in Denmark or Holland and capture a share of that export market. I feel one factor is that it is more profitable to produce a grade B hog than it is to produce a grade A hog. I expect that I am no better feeder than a lot of people, but I have no trouble in producing 70 per cent to 75 per cent grade A hogs. When you realize that only about 32 per cent of the hogs produced across Canada are grade A, it is time to take a look at this situation to ascertain what we can do to encourage a better quality product which would enable us to cope with export demands.

(Translation):

Mr. Boulanger: Mr. Chairman, I am pleased to endorse the remarks just made by the hon. member for Prince Edward-Lennox (Mr. Milligan), requesting that the price of pork and the quality bonus be raised.

The points made by the member for Prince Edward-Lennox are well taken and show that

he is an experienced farmer besides being informed on markets and farm administration.

(Text):

Item agreed to.

25. Freight assistance on western feed grains, $20,000,000.

(Translation):

Mr. Brassard (Lapointe): Mr. Chairman, I should like to point out to the Minister of Agriculture an irregularity existing in the Saguenay-Lake St. John area with regard to the movement of feed grain from western Canada.

I have here a table supplied by the board of transport commissioners for Canada. I note that for a distance of 228 miles, for instance, or the distance between Quebec and Chicoutimi, the subsidy is 43 cents. For a slightly longer distance, that is 262 miles, from Quebec to Amqui, the subsidy is 68 cents. In the case of Jonquière, for a distance of 218 miles—which is comparable to Mont Joli located 217 miles from Quebec and where the subsidies are 68 cents in summer and 67 cents in winter—the subsidy is only 43 cents. Chambord, in the Roberval riding, with a distance of 176 miles, receives a 43 cent subsidy, while St. Fabien, with a distance of 179 miles, or 3 miles more, gets 68 cents in summer and 67 cents in winter. And what about St. Arsene, in the Roberval riding—this will be one of the last examples I shall give—for a distance of 199 miles, the subsidy is also 43 cents, while at Bic, for a distance of 189 miles, it is 68 cents in summer and 67 cents in winter.

I could give many more examples, but I do not want to bore the committee with this detailed information. I am asking the minister however—he does not have to answer me today—to have this matter looked into and to try to take appropriate action so that farmers of the four counties in my area will not be discriminated against, compared to other farmers in my province.

(Text):

Mr. Milligan: I should like to say a word in connection with this particular item. During the past few years there has been some criticism in Ontario about the continuation of freight assistance on western feed grains. I would hope that the minister can make this a permanent policy because I think it is good legislation. I would not say it is a subsidy to eastern farmers because I have never felt that way about it. I think those of us who are feeding livestock realize that if the freight subsidy were added on to the price of the grain we buy it would be impossible to feed western grain.

[Mr. Boulanger.]

In addition, I think this is a subsidy to the western farmer and I am very glad he gets that much extra for the grain he is producing. I believe the subsidy is a protection to our Ontario wheat and corn growers because I think it results in an increased price for the grain that is sold here in Canada. In any event, this is going to the farmer so I hope this subsidy will be continued.

Mr. Argue: I should like to say a word on this item. I disagree very strongly with the remarks of the hon. member who has just taken his seat, and who reached a very strange economic conclusion to the effect that the subsidy on feed grains used in eastern Canada goes into the pockets of the people who produce the grain in western Canada. I think my position on this question over the years has been a bit more realistic than that taken by the hon. member, namely, that anything that is done to wipe out part of the freight costs of moving commodities from the prairies to eastern Canada cannot help but be of benefit to both the producer and the consumer.

I was surprised to read that there was some opposition in eastern Canada, or in Ontario, to the continuation of the freight assistance on western feed grains. I hope the minister can assure the committee that not only is the policy to be followed for the present year, but that it is the intention of the government to continue this policy I should like to see this policy placed in legislative form instead of being left in the uncertain form of an item that is placed in the estimates from time to time. There is no doubt about it that this is a subsidy which assists in the moving of feed grains to eastern feeders and results in a price lower than they would otherwise have to pay for the grain they receive.

I would suggest that this is a policy that is in the national interest and is one that should be continued. It brings about a more equal price as between the prices paid to producers and the prices that have to be paid by the livestock feeders in eastern Canada. This policy is the very opposite of the misdirected policy having to do with the removal of coarse grains or feed grains going to feed mills from the wheat board regulations. That was a bad move; it is a move that is unsupported in the prairies because it runs counter to the general principle of this particular measure which is to bring about a greater similarity in the prices received by the western grain producers and those that are paid by the feeders across this country.

I would ask from the minister some comments as to whether or not it is the intention of his department and the government

to continue the freight assistance policy which has now been in effect for many years.

Mr. McFarlane: I should like to bring my age old problem to the attention of the minister. I refer to the freight assistance problem. First, I should like to quote from the Canadian Wheat Board Act, section 2 (1) (c) which reads as follows:

(c) "designated area" means that area comprised by the provinces of Manitoba, Saskatchewan and Alberta, and those parts of the province of British Columbia known as the Peace river district and the Creston-Wynndel areas, and such other parts of the province of British Columbia and such parts of the province of Ontario—

And so on. This area to which I am referring specifically namely, the Creston-Wynndel area, has never been granted any concessions at all under our freight assistance policy. At the present time the federal government has spent approximately $2½ million in the construction of our Pacific Great Eastern Railway wholly within the province of British Columbia; and we are asked as the taxpayers of British Columbia and the taxpayers of Canada to contribute our share toward the construction of this Pacific Great Eastern Railway which brings a great deal of the feed grain out of the Peace river area. The payment of freight assistance in the Peace river area has been in effect for a number of years especially into the Vancouver markets. In view of the fact that this is a government subsidized railway, both federally and provincially, we feel that our efforts on behalf of freight assistance should be extended to the Creston-Wynndel area.

It has been brought to my attention that relatives, especially those living in the Peace river area who have relatives in the Creston-Wynndel area, are able to ship grain to the coast at a much cheaper rate in view of the subsidy than that at which we are able to ship it from our area. This situation has practically eliminated the Creston-Wynndel valley from this market in Vancouver which is rightfully ours. I have been advised that the province of British Columbia is ready and waiting to restore to the Peace river area in British Columbia freight assistance if they were to be deprived in this area of the federal subsidies.

The action of the department does not appear to me to be logical nor does it appear to be consistent in the interpretation of the act. Just what logic is there in setting one part of British Columbia against another part of British Columbia in connection with freight assistance problems? This creates a geographical and economic barrier against one in favour of the other. No country can ever become unified by such action. In view of the fact that both areas are in British Columbia, I cannot agree that one district should be given consideration on freight assistance and not another. At the present time there is a difference of $11.20 per ton feed grains shipped out of the Peace river area and those shipped out of the Creston valley.

Last year I spoke on this matter and I received the same argument from the department, namely that this area is not part of the grain producing area for the purpose of freight assistance. This does not appear to me to be a logical argument. We are both in the province of British Columbia. At that time I received from the then minister this reply as found at page 4257 of *Hansard* of May 26, 1960:

I merely point out that this is a situation in which there seems to be no completely logical answer. We are still looking at the matter. The whole question of the movement of grain and particularly of the movement of feeds is tied up with the inquiry being carried on at the present time in the agriculture committee. After their report is submitted we may make changes as far as the movement of grains and the subsidy on grains, particularly from the Peace river area, are concerned.

That answer was given nearly a year ago and I feel that by this time they should have completed their investigation which would bring the Creston-Wynndel area into this freight assistance category. I feel also that we should be given consideration so that we can enter this Vancouver market. The difference of $11.20 per ton is a little bit too much to allow us to compete with the Peace river area.

(Translation):

Mr. Boulanger: Mr. Chairman, I wish to make a few comments on this estimate which has to do with freight assistance on western feed grains, by way of an answer to the Minister of Agriculture (Mr. Hamilton) who once stated that farmers should buy their grain during the fall and store it.

I gave two examples for the purpose of establishing whether it would pay the farmers or the feed mill operators to buy in the fall or in the spring. This is what I have found.

If the grain had been bought in October to be used at a later date, it would first have to be delivered to Pembroke from the harbour of Prescott. The option at that time was 82 cents a bushel, with a margin of 13 cents and loading charges of 1.4 cents, making up a total of 96.4 cents per bushel, or $56.62 a ton. Subtracting from this price the subsidy of $5 per ton, we get a net price of $51.62. To this price must of course be added shipping charges between Prescott and Pembroke,

which amount to $4.60 per ton, plus the interest on the invested money and the storage charges, for a total of $60.06 a ton, f.o.b. Prescott, in October 1960.

Had the same grain been purchased for delivery in March 1961, it would have had to be bought on the basis of the May options, which, at the time, were at 78 cents, plus the spread of 1¼ cents. So if you convert this grain into tons, you find that the price is $46.62 plus a $13.20 spread, minus the $5 subsidy which applies in this case as in the other, which gives a net cost of $54.82.

This will answer the allegation of the Minister of Agriculture to the effect that grain dealers would profit by purchasing their grain and stocking up in the fall. In the case I have just mentioned—the minister can correct me if I am wrong, but I have tried to get the best figures available—I think I am right in saying that the farmer has no advantage in buying his wheat in the fall and storing it until it can be used in the spring.

I think we should look for other reasons to justify the shipment of feed grains to eastern ports in the fall, so as to avoid finding ourselves in the same situation as last fall, a situation which caused the prices of feed grains to rise, thus affecting the income of eastern farmers.

Now, coming back to the statements made a moment ago by the hon. member for Assiniboia (Mr. Argue) and the hon. member for Prince Edward-Lennox (Mr. Milligan), I should like to refer briefly to the subsidies paid to western producers and farmers. I am not against such subsidies, as I am sure they are really needed by the western farmers, because I had the privilege of working on a western farm for a year—that was about 20 years ago—and I had occasion to familiarize myself with the thinking of those farmers. I learned something of their language, and I was able to appreciate their attitudes and courtesy.

However, I have made a calculation based on figures provided by the "Current Review of Agricultural Conditions in Canada", wherein it is stated that in 1960, the prairie provinces received an amount of $77 million, including, under the Prairie Farm Assistance Act—the payments being based on acreage—an amount of $42 million, and under the federal-provincial farm assistance schemes for unharvested grain and for western wheat producers, another $35 million, which makes a total of $77 million. The number of farmers in those three provinces, in 1956, was 232,000.

[Mr. Boulanger.]

Thus an average of $340, in round figures, went to each western farmer. If we apply the same figures to eastern farmers, including those of Ontario, Quebec and the maritimes—and I am leaving out British Columbia—we find that if the government had given our 315,000 farmers the same subsidies as were given the prairies farmers, it would have meant a disbursement of $104 million so that eastern farmers, and Quebec farmers in particular, would have got an additional $340.

According to a statement made by the management of la cooperative federee, as published in *Le Devoir* of February 2, 1961, the average net farm income last year, that is in 1960, amounted to $1,475. If the eastern provinces had enjoyed the same benefits as the western provinces, the net income of our farmers would have been $1,800 instead of $1,475.

The minister and the western members might think I am being critical of a policy which is beneficial to western farmers. Not in the least. What I am trying to point out is that there are farmers too in eastern Canada, in the maritimes, in Ontario and in Quebec, and that they too deserve consideration. We will soon have an act on farm rehabilitation. I hope that it will do us more good than did the crop insurance enacted two years ago.

Mr. Chairman, those are the few remarks I wanted the minister to hear. I hope he will consider the representations made by eastern farmers. I would be glad if he came out to visit the eastern provinces, particularly the province of Quebec, if he will allow me to extend that invitation. I also take the liberty of telling him that I will provide him with a chance to talk to our farmers and to tell them of what he is planning on their behalf.

(Text):

The Acting Chairman (Mr. MacEwan): Shall vote No. 25 carry?

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I think I should say a few words on this issue of feed grain assistance. This assistance has been in effect for a good many years. Over those years I think that generally speaking, hon. members of all parties have supported it.

A debate is going on among farmers as to which particular group gets a subsidy out of this assistance. The western farmer stoutly maintains that the subsidy is to the eastern

farmer, and the eastern farmer maintains just as stoutly that the subsidy is to the western farmer.

I have noticed a growing amount of criticism of this assistance in both the west and the east. Eastern farmers are saying it should be taken off. These are the farmers who are growing wheat in Ontario. Western farmers who are anxious to build up a feed grain industry out west say that it should be taken off because it is subsidizing their competitors in the east.

I will immediately relieve the minds of hon. members of the committee by saying that thers is no intention on the part of the government to change the feed grain assistance system. We have this matter always under review, and at the present time I think it is doing much more good than harm to any particular group. I think that in connection with trying to set the eastern farmer against the western farmer we would all be well advised to remember that we are all Canadians and that eastern and western farming are complementary to each other.

As Minister of Agriculture I have taken great pains to point this out, not only in the house but across Canada. I have pointed out that there is no need at all for quarrels between the two groups. The difficulties in connection with trying to assist agriculture to receive a greater share of the national income are big enough as they are, without starting a fight between the two different groups.

I think that with a little thought hon. members will find there are very few cases of serious clash between eastern and western farmers. If anyone tries to divide up the help which the government has given, on a direct basis of the number of dollars that go into one particular area as compared with another, I think they would be doing a great injustice to agriculture.

A comment was made about freight rates in Quebec. The reason for the recent changes in the province of Quebec is the fact that the movement of western grain to eastern Canada has been based on rail rates. However, of recent years more and more of the feed grain moving to eastern Canada has gone by boat. Since the rates in Quebec are based primarily on Montreal, the subsidy has been equal to that applied to Montreal plus the local rate. When boats discharge their cargoes at Quebec city cheaper than they can be taken by rail, then obviously people in the area around Quebec have the benefit of a much lower rate. It is very confused and I suggest to hon. members from Quebec that they have a considerable advantage in connection with the grain that comes by water because the subsidy is no greater than the actual cost of moving it in.

In some places the difference is considerable. Chicoutimi is a case in point. We have tried to rectify this situation and bring rates into line, and these efforts have improved the situation. The same thing is happening in the maritime provinces. However, I would point out that this is a question of rate reductions; changes are made which we think, in the first instance, improve the situation, but, immediately, we receive representations from other places asking that adjustments be made. I can say, sincerely, that this matter is under constant review. It is under very active review, because the representations we are receiving from the various groups are so contradictory in their nature. We shall do our best to eliminate the differential as much as possible.

I should like to say a word now to the hon. member for Kootenay East. I think the case he has made out during the last two or three years that an injustice is being done to the people who live in southern British Columbia has now been changed through the building of the Pacific Great Eastern Railway. I can promise him that shortly he will get an answer, yes or no, in the case of grain being moved into Alberta from the southern and eastern parts of British Columbia.

(Translation):

Mr. Brassard (Lapointe): I would like to thank the Minister of Agriculture for the information he gave me this afternoon and I hope that he will eventually find a solution to those problems.

I was a bit sorry to hear him say on a few occasions—and I have been listening to him for two or three months—that we are trying to pit the eastern farmers against their western counterparts.

I hope he does not take us for narrow-minded individuals and that he does not pass judgment on us according to considerations I am not aware of.

We favour the western farmers as much as the eastern farmers, but we do want every farmer to have his share of the estimates of the Department of Agriculture.

Even though we come from Quebec, and whatever the minister may think, we are as truly Canadian as he is.

We have at heart the welfare of western farmers as much as that of eastern farmers.

Every time requests came from the west and estimates had to be adopted for the benefit of western farmers, I think we have never shown any reluctance to comply with those requests.

However, we would like the government, the Minister of Agriculture, as was indicated earlier by the hon. member for Drummond-Arthabaska (Mr. Boulanger) to go in the east,

to go in Quebec and see for himself that we are people like others, that we love our English-speaking compatriots as much as he loves them himself.

But, we also want our French-speaking compatriots to get their share of the national revenue.

I would not want to believe in the remarks he sometimes makes in this house because it would give me a poor opinion of his education and his broadness of mind.

As I say, to make us out as being against the western farmers and for the eastern farmers, I realize that may sound well in a debate and that it may be a popular statement in his constituency, but I do not think it is a right judgment to pass on the people of Quebec.

(Text):

Mr. Argue: I appreciate the statement the minister has made with regard to the seed grain subsidy and the fact that it is being continued. In stating that we should not try to divide the east and the west, the minister said that certain organizations both in eastern and western Canada have asked that this subsidy be removed. I should like to know from him what organizations in western Canada are campaigning for the removal of this feed grain subsidy. I am not aware of any organizations engaged in such a campaign and I should like the minister to tell me what organizations are involved because as far as I have been able to ascertain, the farmers of western Canada, certainly the grain farmers, are pleased that this policy is being continued. In their own minds, rightly or wrongly, they feel it is at least as much in the interests of the farmers and feeders of eastern Canada as it is in the interests of those who produce grain on the prairies.

Mr. Hamilton (Qu'Appelle): I do not think there is any point in saying much about this. I have been making a tour of western farm organizations during the last two or three months and talking to various members of those organizations and discussing feed grain assistance with them. Several have remarked to me, mostly among the livestock associations, that as far as they are concerned they would not mind if it were cut off. I do not know of any organizations which have passed resolutions to this effect. I have simply pointed out that this feeling is growing. I do not think it is strong enough to warrant any action; I think it is just an expression of opinion that the subsidy is of no assistance to them.

Mr. Argue: I think the minister is engaging now in loose gossip, because he says that no farm organization has passed a resolution suggesting that this subsidy should be discontinued. Yet he comes into this committee and with the authority of the Minister of Agriculture he says that certain officials of livestock associations in western Canada have expressed to him the opinion that this subsidy should be removed. I think it is a disservice to agriculture generally to engage in this kind of idle talk and loose gossip. I have noticed a predisposition on the part of the minister in his policies to weight his policy against the ordinary grain producer on the prairies—

An hon. Member: Oh.

Mr. Argue: That is what has been done. If some producer of high priced export livestock goes to the minister he seems to lend a much more sympathetic ear to him as witness the breaking down of the orderly system of marketing through the wheat board.

An hon. Member: Nonsense.

Mr. Argue: The hon. member can catcall all he likes from the back. Those interruptions are his main contribution to debates in this chamber. But I would say this loose talk on the part of the minister, this gossiping of private conversations on to the record of this committee when no western farm organization has made any policy statement which is critical of the feed grain subsidies, should not be repeated.

Mr. Hamilton (Qu'Appelle): I want to thank the hon. member for his gratuitous advice. We all know from long experience of the hon. gentleman who is the one who talks loosely and who gives misinformation to this committee.

Mr. Argue: No misinformation at all.

Mr. Hamilton (Qu'Appelle): I did not interrupt the hon. member when he was speaking about me in such a loose fashion. I would like to point out that we have had a discussion spread over the last three or four months in the House of Commons concerning feed mills in western Canada, and I notice the hon. member said today in this committee that all the farm organizations in the west were supporting the stand he is taking. That is not true.

Mr. Argue: I said no such thing.

Mr. Hamilton (Qu'Appelle): Read the record carefully and you will find you made a misstatement of facts today. I did not get up and criticize it because the hon. member makes a good many of those misstatements and it is difficult to stop them all. I am simply pointing out in regard to this question that I made a statement in this chamber which is true, and I do not like it very much when an hon. member whose record in keeping to facts in this house is not too good stands up and challenges it.

Mr. Argue: I never challenged the accuracy of the minister's statement at all. I did not say that he did not gossip with the officials. I did not question his statement regarding what certain officials had said to the effect that they might just as well take off the feed grain subsidy, but I did suggest that it was loose and irresponsible talk on the part of the minister when he related private conversations and statements, which he alleges have been made by unnamed officials, regarding a policy very much of interest to the agricultural industry in this country. It is difficult enough to maintain a good policy with the present minister in office without his trying to torpedo some of his own policies by this kind of loose and irresponsible talk, the accuracy of which I have not questioned at all. I have, however, questioned the propriety of the Minister of Agriculture in making this kind of statement when the organizations in question, in the words of the minister, have made no such policy statement whatsoever. The minister is merely referring to private conversations and is placing them on the record.

Item agreed to.

26. Agricultural lime assistance, $1,300,000.

Mr. Peters: Organizations in northern Ontario have in the past been interested in expanding this subvention, and the benefits the farmers derive from it, to include assistance in the field of fertilizer that is imported because of the very heavy cost of transportation. The farmers are at the end of their patience in this regard and have on a number of occasions, to my knowledge, asked for an extension of the subsidy paid, in regard to this fertilizer. I was wondering whether this is feasible, and whether consideration has been given to the representations that have been made during the last two or three years on behalf of northern Ontario farmers regarding the expanding of this lime assistance for agriculture so as to cover fertilizer commodities.

The Acting Chairman (Mr. MacEwan): Shall item 26 carry?

Mr. Peters: I would like to have an answer to the question I have asked. The farm union locals in my area have been very interested in this problem and have passed resolutions in the Ontario section requesting this assistance. I might say it is very seldom that the northern Ontario farmers ask the federal government for assistance. I would ask the minister whether he has done anything about these representations or if he intends to give consideration in this regard.

Mr. Hamilton (Qu'Appelle): We have a policy to assist the provinces wishing to build up the capital of their land. The question of lime involves building up the land and is not fertilizer in the sense the hon. member has referred to it. We do not have any policy to date of assisting the provinces in regard to the importation of fertilizer. Our assistance has been directed to the capital lime build-up as distinct from the fertilizer lime. I cannot give the hon. member any more satisfaction than that because this is a different kind of policy from that which we have been considering so far.

Item agreed to.

28. Poultry division, $1,248,856.

(Translation):

Mr. Boulanger: Would the minister give us some information on item 28?

(Text):

Mr. Hamilton (Qu'Appelle): Would the hon. member be more specific?

(Translation):

Mr. Boulanger: There is a decrease of $230,000. I would like to get some explanation in that connection.

(Text):

Mr. Hamilton (Qu'Appelle): I think there is an increase in this item of $60,000.

I would like to suggest, while we are looking up the actual increase under the poultry division for this year, that any slight increase like this—$60,000—is almost entirely due to salary changes this year.

Mr. Roberge: Mr. Chairman, may I call it five o'clock?

The Acting Deputy Chairman (Mr. MacEwan): Order. It being five o'clock, it is my duty to leave the chair in order to permit the house to proceed to the consideration of private and public bills, pursuant to section 3 of standing order 15.

PRIVATE BILLS

CO-OPERATIVE LIFE INSURANCE COMPANY

Mr. J. N. Ormiston (Melville) moved the second reading of Bill No. S-12, an act respecting Co-Operative Life Insurance Company.

He said: Bill No. S-12 provides for an amendment to the act respecting the Co-Operative Life Insurance Company, its head office being in Regina, Saskatchewan. Hon. members will notice that there are two proposed changes being made for the purpose of assuring policyholder members throughout Canada that the control of the company will not be centralized in Saskatchewan, and in particular at its head office. In fact under clause 1 precautions are written in to prevent employees of the company from exercising

the proxies of other members and thus preventing the control of the company being kept in the hands of head office personnel.

Clause 2 of the bill would add a new section, section 4(a). The purpose of this is to prevent the control of the company being concentrated in any one designated region. In this respect it would mean that the Co-Operative Life Insurance Company would operate in the same manner as other co-operative societies, on a delegate basis. Finally, the superintendent of insurance has indicated that he has no opposition to the proposed changes.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I am not rising to register any objection to this bill. I think the purposes of the bill should be supported because I view with very great alarm a situation where it has been possible, at least in theory, for the control of a co-operative life insurance company to fall within the hands of a very few people. I wonder whether the sponsor of the bill could tell me whether steps will be taken to assure that the same co-operative principles will be followed in relation to this life insurance company as have been followed in relation to other co-operative organizations under the Rochdale principle, namely, that one member shall have one vote and one vote alone, and that this principle will be maintained throughout the operation of the company.

When membership in such a co-operative company is spread all across Canada I can appreciate that control of the company from the point of view of voting at conventions would have to be in the hands of delegates. However, I would appreciate it if the sponsor could give me an answer to this question. Will the principle of one member, one vote be followed throughout the operations of this company? I think most hon. members feel that co-operatives can play a very important part in the life of our country but certainly they will fall into ill repute if it is possible for control of such companies to fall into the hands of a few individuals which means in fact that really they are no longer co-operatives in the sense that those of us who are associated with such organizations understand co-operative principles.

Mr. Speaker: I must inform the house that if the hon. member for Melville speaks now he will close the debate.

Mr. J. M. Ormiston (Melville): Mr. Speaker, as I understand the wording of the bill it is certainly the intention that the members of the Co-Operative Life Insurance Company will be elected and will vote in the same manner as members of other co-operative organizations such as the wheat pools, livestock co-operatives and dairy co-operatives, with which we are all familiar. The bill simply makes provision for the same arrangements to apply to the Co-Operative Life Insurance Company.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

AURORA PIPE LINE COMPANY

On the order:

House again in committee on the whole on Bill S-2, an act to incorporate Aurora Pipe Line Company. (Without amendment).—Mr. Woolliams.

Mr. Churchill: Stand.

Mr. Speaker: I note that the house leader is suggesting that this order stand. It would have to be by unanimous consent. Is the house prepared to waive this order by unanimous consent?

Some hon. Members: Agreed.

INDUSTRIAL RELATIONS

PROVISION OF MINIMUM RATE OF WAGES FOR EMPLOYEES

Mr. Arnold Peters (Timiskaming) moved the second reading of Bill No. C-28, to provide for minimum wages for employees.

He said: Mr. Speaker, this bill has been before parliament on previous occasions. It was first introduced by Mr. Stanley Knowles who is now executive vice president of the Canadian Labour Congress and I have introduced a similar measure on several occasions. The bill would establish a minimum wage of $1.25 per hour for all employees under the jurisdiction of the federal government. A number of years ago it was considered throughout Canada that a basic rate of $1 per hour was a fairly good wage but because of increases in the cost of living and the upgrading in the standard of wages throughout industry generally over the years it seems to me that the government should establish a minimum wage not only for all those who are employed by it but also for all those employed in industries over which the federal government has jurisdiction.

Certainly it was made evident in Ottawa recently that it is necessary to establish a minimum wage law. Not long ago a number of convictions were obtained in the case of industries coming under the jurisdiction of the province of Ontario. With each application of the minimum wage law there is a growing indication of the need and desirability of establishing a fair and reasonable

minimum rate in those industries in which no organization bargains for the employees.

If the bill were passed it would not have any effect with respect to employees within industries over which the federal government has jurisdiction if those employees are receiving more than $1.25 an hour. The bill will not have the effect of reducing wages. It simply establishes a bare minimum and raises rates to that minimum in all cases where the federal government has jurisdiction. This would be a very simple law. It would be similar to laws that are in effect in all the provinces of Canada. The minimum rates vary from one province to another. The federal government, however, has depended upon prevailing rates, casual labour rates and other rates. We are now suggesting that a minimum rate of $1.25 per hour be established in those fields over which the federal government has jurisdiction.

Mr. E. A. Winkler (Grey-Bruce): Mr. Speaker, I am happy to participate briefly in the debate on Bill No. C-28 having to do with the establishment of a minimum wage for employees of the government of Canada. As was indicated by the hon. member who introduced the bill, this is not the first time such a measure has been before the house. I regret to say that I was caught somewhat unaware. I had intended to speak at greater length on this matter on a previous occasion. However, I have hurriedly got together some of the material I had intended to use and I hope I can make a small but valuable contribution.

As a supporter of the government I do not hesitate for one moment to say that I support the bill now before us. We know very well that such a provision is basic in the establishment of living standards in our country and, so far as employees under the jurisdiction of the federal government are concerned, unquestionably parliament should give leadership by taking this step. Obviously the previous bill specified a lower hourly rate, but I think that is of no great consequence at this time. We all agree that the standard of living in our country is high, and I certainly believe this basic rate of pay would be required to maintain a family on accepted standards.

Back in 1935 the Right Hon. R. B. Bennett, then prime minister, introduced legislation of this type in this House of Commons and carried it through to its conclusion. The Liberal government which followed referred this legislation to the supreme court and, of course, it was proclaimed ultra vires. Canada had agreed at an international convention to establish certain labour standards, including minimum wages, and the country was therefore obligated by treaty to put such legislation on the statute books. I would ask hon. members to bear in mind that this action was taken by the Conservative government of that day and contested by the subsequent Liberal regime. I am not saying that, in recent days, the thinking of the Liberal party has not changed in this regard.

We must realize that in so far as the subject matter of this bill is concerned, the jurisidction of the federal government is limited mainly to the fields of transportation, communications, a few corporations under federal control, and the banks. Certainly I would say that in those fields there are certain categories that require the assistance that would be extended by the terms of this bill. We cannot really expect that other phases of the economy will carry on at a high standard if the federal government does not take responsibility in the fields over which it has jurisdiction.

There will probably be some objections to be considered before we consider the detailed terms of the bill. No doubt these objections can be overcome during the course of the discussion or they can be referred to the committee and ironed out at that time. One such objection might be the possibility that the implementation of the bill would involve the expenditure of public funds.

There is one particular aspect of this question that concerns me somewhat. It is not that I feel the terms of the bill are wrong, but perhaps we do not have sufficiently in mind, when we are trying to determine what is right or wrong internally in our country, the fact that the federal government should take the lead in this field and establish a rate at least equal to the highest provincial enactment. We should bear in mind the fact that we are setting the standard for other governments.

Recently the New York *Times* published a comparison of hourly rates for labour in which the Canadian rates appeared. I think this is an important aspect of the matter, especially when we are endeavouring to establish a basic rate such as this of $1.25 per hour. The article revealed that in Canada we have an average rate of $1.72 compared with $2.13 in the United States. In the United Kingdom the average hourly rate is 66 cents; in west Germany, 54 cents, and in France, 38 cents. I do not have before me the figures for Japan, but we know they would be much lower than these figures.

I should like to quote here the figures relating to income per capita in those countries

I have mentioned. I do have the figures relating to Japan in this regard. In Canada the average per capita income is $1,400; in Japan, it is $200.

Mr. Martin (Timmins): Would the hon. member permit a question?

Mr. Winkler: Yes.

Mr. Martin (Timmins): Will the hon. member quote the figures relating to the cost of living index in those countries as well as the income figures?

Mr. Winkler: No, I cannot do that because, as I said earlier, I have that material but I prepared rather hurriedly and I did not bring it with me. I admit it is relevant to this matter, there is no question about that. This is precisely where I agree with the hon. member in connection with the establishing of a minimum rate of $1.25. I am supporting the bill in every detail in this regard. However, I do say these factors should be borne in mind and they might lead to the necessity of regulating other things which perhaps the hon. member would like to do but we would not like to do.

In the Soviet union the average per capita income is $500 and in the United Kingdom it is $900; west Germany, $700 to $800.

As I have just indicated, I am not mentioning these factors in the hope they will be used as background material to oppose this bill. However, I believe if one cites arguments in favour of this bill, all the factors should be kept in mind. I will say that if the discussion of this bill terminates this afternoon and it is not brought to a vote, I am sure that in the future the government will put legislation of this type on the statute books. I say that with all sincerity. I have quoted these figures only because I believe we should support the standard of living we have now. I would be the last to suggest we should reduce the standard of living we are enjoying or that anyone should use these figures as a basis for opposition to the bill. However, I believe we must consider all these things when we are making such determinations. As I indicated earlier, I am very much in favour of this bill and I will support it if the opportunity arises.

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Before discussing the terms of the bill, Mr. Speaker, I intend to make a few comments on the remarks just made by the hon. member for Grey-Bruce (Mr. Winkler). It is true that legislation of this kind was passed in the late thirties under a Conservative administration and that this legislation was applied all across the board to any class of employees, not just those under federal administration as is the case in this bill, No. C-28. Later on this legislation was referred to the Supreme Court of Canada in order to ascertain whether or not it was ultra vires. There is a good reason for that. Over the years the Liberals are well known for standing in favour of the autonomy of provinces instead of being in favour of centralization as the Tories have been all down through the years. I am not stating anything new here. Besides that, the present administration has been in power for the last four years. They certainly could have brought forward legislation of this kind if they think that minimum wages should be—

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

Mr. Deschatelets: Yes.

Mr. Winkler: Will he indicate to the house whether or not he is in favour of the terms of this bill?

Mr. Deschatelets: Of course, Mr. Speaker. I could not allow the remarks of my hon. friend to go unchallenged.

Mr. Winkler: Will the hon. member answer the question?

Mr. Deschatelets: Of course I am in favour of having a minimum wage.

Mr. Winkler: How does it come about that you were here for twenty two years and did not pass a minimum wage law?

Mr. Deschatelets: Mr. Speaker, I am just commenting on the remarks made by my hon. friend and I am stating that the present government has been in power for the past four years but nothing has been done to bring forward legislation of this kind. I think that statement cannot be challenged.

I now intend to continue in French, Mr. Speaker.

(Translation):

I do not suppose anyone is opposed to this bill. Indeed I think the sponsor of this bill was very conservative in setting a minimum of $1.25. In view of the present cost of living, I think it is absolutely necessary that at least $1.25 per hour be guaranteed to employees who come under federal jurisdiction.

I believe that we should set an example to private industry because, in view of the present high availability of labour, a great many business enterprises are taking advantage of the situation and paying wages of 70, 75 and 80 cents an hour.

I think we should give leadership in the matter of wages.

This is a bill which, I hope, will be passed before six o'clock. I hope no member will

still be talking at the six o'clock bell, so that the house may vote on the principle of this bill.

I do not want to keep the floor too long but I do wish to say that if this Bill C-28 were adopted, it would have the immediate effect of raising the wages now paid to seasonal employees of the national employment service. It would also have the immediate effect of stepping up the wages we are paying to post office seasonal employees, and many others.

I wish to congratulate the sponsor of this bill. I think it is time we adopted this legislation. I hope we are going to vote on the principle of this bill before six o'clock.

(Text):

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, I have not in any previous year spoken on this bill but it occurred to me that there was one point relating to it on which I should like to say a few words. I refer to the necessity for the bill itself. I would not want my remarks to be taken to apply generally to business men in this country. I will therefore make it plain when I say that some employers about whom I intend to talk are the reason for or give rise to the introduction of this bill. I cannot tell what the percentage is; I hope it is a very small number of employers. However, there are certainly some across the country here and there who will take advantage of a workman in any way they can, sometimes merely to increase their own profit. Some may be driven to taking an unfair advantage because of the desperate circumstances their business is in and they will try to use anybody whom they can use in order to save that business.

I have had a little bit of personal contact with that type of employer. What I am afraid of in a bill like this is that where you force the employer to pay a minimum wage, it may lead him to feel, "Well, the government has set this fair minimum wage and, if I give the employee this wage, that is all I need to give him". It might in some respects deter an employer who, in trying to satisfy his own conscience without such a law in force, might be a little bit more generous.

I can recall working for a firm just prior to the war. At that time in the province of Alberta the minimum wage was 33⅓ cents per hour. There was an old faithful employee who had worked for that company since 1897. He had started as a teamster driving a wagon delivering their lumber. He had graduated to driving a truck for the company and at the time I knew him in 1940 he was driving the oldest truck in the firm. At that time he had had 43 to 44 years of continuous service with the firm. He was distinguished from the other truck drivers in that he was not on an hourly wage but was on a monthly salary. His monthly salary worked out to exactly what the other truck drivers would get if they put in a few hours overtime in a week. The only difference was that he received his pay every month and I am afraid that he did the same amount of overtime every month.

I was shocked by the treatment of that man when I came back from overseas and checked to find that he was still there but had just that summer been taken ill for a while. At the end of two weeks the accountant took his cheque to the secretary of the firm for signing and the secretary said, "That is his holiday pay". The man still was not back at the end of another two weeks and the accountant made out another cheque and took it to the secretary of the company who said, "He has had his holiday pay. We owe him nothing". I am happy to say that the president of the firm stepped in and said, "This man will continue to get his cheque, no matter what happens".

When we stop to consider the attitude expressed by the secretary of the company toward this man who had been a faithful employee of the company for 50 years, we are inclined to feel that certainly we cannot be too zealous in our efforts to protect some of the workers from some of the employers.

I am sure that the vast majority of employers in this country are not at all alarmed at the thought of a bill like this being enacted. I think the wage scales across the country are probably substantially above the minimum set out in this bill. I am convinced that in most of those industries where the pay is not above this amount there are many sound economic reasons why they are not able to pay it.

This, of course, causes me a little difficulty in connection with the bill. Certainly we all wish to protect workers. In so far as we are able, we wish to ensure by legislation that these workers obtain at least a minimum living wage. We know they require some protection, but we also know that conditions in this country vary considerably from place to place. They vary considerably from industry to industry. The conditions under which people work even in one industry may vary considerably. There are various types of jobs and there are certainly different rates that industries can afford to pay. An across the board minimum wage as would be fixed by this bill would certainly have different effects, depending upon where the people are employed.

I suggest that when we look at the different conditions and standards, a single rate across the country for all industries and all purposes would give some workers absolutely no more protection than they now have. The natural laws of economics, supply of labour, economic conditions, health of the industry, and so on, in one area mean that we are not giving those particular working men any protection whatsoever.

There may be other areas where industry is trying to get started and is struggling along, where the cost of living may be generally much less and where the economic value of $1.25 per hour would certainly be out of all proportion to its value in another area.

I would suggest that this argument is quite realistic, and as evidence of this we have only to consider what is being done by the provinces across the country in their minimum wage laws. I am not familiar with all the regulations and rates, but I do know they vary with regard to the minimum wage rate all the way from perhaps 35 cents an hour in some places for female help, to perhaps a minimum of $1 in other areas—it may be even more—for male help, depending on the job.

I note that this bill deals with more than just the minimum hourly rate. There are other benefits that this bill endeavours to provide. But looking at the provincial legislation—and much of it is of long standing—it seems to me that we would be attacking this problem in a much more realistic way if there were a little more flexibility in this bill.

I cannot pretend to come up with a formula at this time as to how the minimum wage should be fixed for any particular part of the country or any particular industry, other than by reference to provincial legislation. These provincial bodies and labour boards which operate in the provinces are constantly in touch with all the factors that affect rates of pay and the economic situation in their areas. Over the years they have evolved rules, regulations and rates and have set minimum rates of pay for various industries and various sections, taking into account all these factors. We might not be remiss in taking advantage of the work they have done in order to establish our own minimum wage regulations.

I should think that instead of fixing the rate of $1.25 an hour across the country—which, as I have pointed out, might not be too satisfactory for some reasons—it would be better to pass a bill to tie in a minimum wage rate which would rise, fall or vary according to the provincial minimum wage laws prevailing in the area or industry where these people are affected. Then we would be a little more realistic in our approach to the problem.

As the hon. member for Timiskaming (Mr. Peters) pointed out, when he first introduced this bill the rate was $1 per hour and now it is $1.25 because the cost of living and wages have gone up. I have no doubt that over the next few years, if this bill were put into effect, there would from time to time be amendments to increase that rate as economic conditions changed in the country.

If we fix a single rate across the country, paying no attention to the varied economic difficulties which have to be faced, I think it would not be satisfactory now, we probably would not find it satisfactory in the future and amendments would be necessary. I think we would have to bring in more than one figure if we attempted to cover the whole country.

Therefore, my first suggestion in connection with this bill is that we should take advantage of the work, time and money spent by the provinces. We should take advantage of their experience in this field and should make some use of the knowledge and figures they have compiled and the regulations they have evolved.

Let us put this bill, not on the basis of a rate of $1.25 per hour but on a rate which would bear a relationship to the minimum wage laws which are in force in the provinces for the particular area and the type of work being done. We should tie this rate closely to the provincial scheme.

I should point out that I am not advocating that it has to be the same rate of pay as is laid down by the minimum wage laws in the provinces. I am sure that if we looked at the rates now prevailing in some of the provinces most of us would probably be more interested in our own province and would feel a little dissatisfaction with the provincial legislation and consider that it has lagged a little. We would probably think it is time these minimum rates should be raised so that they are more in keeping with modern times.

When I say that we should take advantage of provincial legislation and experience, I am not saying that we should let the provinces set our rate. However, I do say that those factors which have caused the rates to vary from province to province, and in some cases to vary within the province, will probably be good reasons why our rate should vary also. I would suggest, therefore, that our rate should be an amount which varies, as the provincial rates vary, but should not necessarily be the same sum. It could be a percentage; it could be 1½ times the minimum prescribed by the province; it could be 10 per cent more, or 100 per cent more, depending on the area under consideration.

I agree that we should give leadership to this extent. I do not think the federal legislation should set a rate which is less than that set by the provinces. However, I do feel that the most sensible rate, and the one which will provide the best protection for workers, is one that takes advantage of the experience which has been built up by the provinces.

There are a few cases where a minimum wage of $1.25 as set out would impose a hardship on the working man himself. These are individuals and merely because they are working people it does not mean they do not have their own defences, that they do not know their own minds or have to be led by the hand. I have seen examples of cases where a man might feel it is to his own best long term advantage to work for a very low wage at the start because he can see a new industry struggling to get going and believes that his own personal sacrifice will help that industry to get past its formative stage so that within a short time the company will possibly be able to pay him a wage much better than the minimum wage offered elsewhere in that area. A man might therefore want to join with his employer in making the sacrifices necessary so as to improve his position on a long term basis.

I have seen examples of employees who much prefer assistance of a very small guaranteed wage coupled with a share of the profits or bonuses and certainly this system does much for the incentive of the working man. Certainly those who are most vitally interested in the progress of the industry have their own welfare at heart. By setting a minimum wage too high we would make it difficult if not impossible for many of these worth while schemes to be put into effect.

I realize there are some employers who would take advantage of schemes of this sort, who would try to get their employees to work for little or nothing, and when I suggest that workers should be free to enter into such schemes I do so with the intimation that there is going to be some danger that they will suffer instead of gain. Having worked in the coal mines in the west, perhaps conditions there would be a good example of what I mean. I know that most of the miners who were digging coal wanted to be on a contract rate though some others preferred to be paid at so much per day. I have no hesitation in saying that those who worked on the contract rate worked about twice as hard as the other miners. The company man usually turned out to be the one who would do the least work, the last one you would choose to have as your partner if the two of you were working in one place and were dependent on the total output for your daily wage.

I think this minimum wage is going to prevent a lot of ambitious hard-working people who are willing to make short term sacrifices in exchange for long term benefits from being able freely to exercise their choice. I think this will be more detrimental to them than exposing them to possible harsh practices by unscrupulous employers.

I do not like to deal with individual items in the bill but for the purpose of illustrating some of my remarks I cannot help but comment on the amount of money which it is proposed be deducted in respect of meals and lodging. I suggest it is most praiseworthy to make sure that a man is really protected where he is on a job where his meals and lodging are provided by the employer to make sure that the minimum wage provision is not circumvented by the charging of excessive rates for necessities. I suggest, however, that the rates for meals and lodgings must bear some relation to the actual cost of providing them.

We set in this bill a minimum wage rate of $1.25 an hour but we put the value of a night's lodging at 75 cents—that would be the bunk, the shelter and so on—and I think the price set for the meals is 50 cents. I find it hard to imagine how the same employer who must pay his cooks $1.25 an hour as a minimum, who must pay the most useless roustabout around the camp at least that sum in order to get the simplest tasks performed, must still be able to furnish food and lodging at those rates. I am not objecting to a working man getting those rates of pay but I think we have to be practical. We have still a lot of country to open up in Canada. In many of the places where people have to work the only way in which the project can be organized is for the employer to set up a camp. Nowadays wealthy companies with sufficient capital try to set up complete towns together with all the facilities, including facilities for recreation but there are still some areas where only a small development is to take place in charge of someone who possesses only a small amount of capital but large ambitions and lots of courage, the kind of person who originally opened up this country and who are still trying to open it up to the best of their ability. They do not have money for frills. They must be able to get in and provide some facilities for their employees. To put an artificial value on meals and lodging supplied—though these may have cost the employer three or four times as much—is going to make it correspondingly more difficult to get the project started at all.

I hope none of my remarks will be considered as indicating my opposition to the principle of the bill. I take it the principle of this bill is to protect the working man in his dealings with his employer no matter who or where he may be, to the extent that he will get at least a minimum living wage for his services. I am opposed to the flat rate being inserted because I think it would not do the job; it would not operate correctly; it would cause much trouble in some places and leave people without coverage in others. I would suggest that the rate be set at a percentage over and above the prevailing provincial rate in the area and that the item concerning food and lodging supplied need not necessarily be included if we have properly set out our prevailing wage rate.

There is nothing in this measure which takes into account the fact that we have in this country a good many people whom I might perhaps describe as difficult to employ. There is nothing in this bill that will encourage an employer to hire someone who is mentally deficient; individuals for whom we would like to encourage employers to find jobs in order that they might support themselves. This bill does not take into account the halt, the lame and the blind, and those individuals for whom we are attempting to find jobs. If jobs could be found for these individuals they would feel self-sufficient and would feel they were doing their part in this country. These are problems which I think can be worked out, and I would suggest to the mover of this bill that more progress could be made if amendments were included along the lines I have suggested.

Finally, I would say to the businessmen in this country that any remarks I have made about the hard-hearted businessmen apply only to a very few. I think the unscrupulous businessmen are a small minority. I feel most of our businessmen are hard-working honest individuals who give their employees the best treatment possible because they appreciate that their employees will in turn give them their best effort. I thank the hon. members for the patience they have shown.

Mr. Speaker: If the hon. member speaks now he will close the debate.

Mr. John Smith (Lincoln): I would like at this time to express my views regarding this bill and say to the sponsors that I appreciate their sincerity in attempting to bring about a higher standard of living in Canada by way of minimum wages.

Mr. Deschatelets: Would the hon. member permit a question? Does the hon. gentleman realize that if he speaks until six o'clock he will prevent a vote?

[Mr. Nugent.]

Mr. Grafftey: Demagogue, demagogue.

Mr. Speaker: Order. The question is not in order. It is not relevant to the discussion.

Mr. Grafftey: Twenty eight years of indifference to the working man; let him speak.

Mr. Smith (Lincoln): This is a bill which I feel requires a good deal more discussion than we have had to the present time. I have spoken in regard to bills of this type on several occasions in the house and my opinion has not changed. There is, I feel, no hon. member in this house who is opposed to the principles of a bill of this type. However, I feel very strongly that the matter of minimum working rates is a provincial one. While this bill deals particularly with individuals working on federal government projects, there may be a very distinct clash with provincial acts causing a great deal of difficulty. The provinces in Canada have their own departments of labour, in most cases with advanced labour legislation. I feel that if this government supersedes that legislation without thorough discussion and the agreement of the provinces it would be entirely wrong.

For many years I was a member of a trade union and was connected with the enforcing of minimum wage rates in the province of Ontario, and I refer particularly to the industrial standard act. I am familiar with the problems involved in the enforcing of an act of this type. I feel that if this government were to move forward quickly in the passing of a bill of this kind without providing for an enforcement force it would get into serious trouble. The minimum of $1.25 per hour, as set forth in this bill, would be fair in an area such as Toronto but might create hardships in areas such as Newfoundland, Quebec and other areas. This is one reason why I feel that the minimum wage statutes should be matters with which the provincial governments should deal. I do feel that this bill requires a great deal more study before it is passed.

I had intended to deal with a number of other items but will say in summary that I endorse the bill in principle but feel that it must incorporate much more before it becomes a satisfactory formula for every part of Canada. For that reason I feel that it should be brought forward at some later date, perhaps in different form and at a time when all hon. members will have an opportunity to express their opinions. There is no doubt that it is a good bill but we should have the approval of the provinces before it is put into effect.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Speaker: Order. The hour for private and public bills having expired, the house will now resume the business which was interrupted at five o'clock.

SUPPLY

The house in committee of supply, Mr. Flynn in the chair.

DEPARTMENT OF AGRICULTURE

28. Poultry division, $1,248,856.

(Translation):

Mr. Roberge: Mr. Chairman, on March 16 1960, the hon. member for Richelieu-Vercheres (Mr. Cardin) asked a question of the Minister of Agriculture (Mr. Hamilton) on the possible removal of the 4 million pound maximum quota on the importation of turkeys from the United States. The following day, as reported on page 3090, the Minister of Agriculture made the following reply:

Mr. Speaker, I examined this question in *Hansard* this morning. The question is as follows:

Is it the intention of the government to abolish the 4 million pound maximum quota on the importation of turkeys from the United States?

I am not sure whether this question is in order, though I may be subject to correction in that respect. If it is, I should like to say that at the present time we have no thought in mind concerning any change.

It seems that the words "at the present time" have caused some confusion among the public, judging from an article published in the *Family Herald* for April 13, 1961, under the signature of Jack Trower. I should just like to quote part of that article:

(Text):

It is doubtful, however, if Mr. Hamilton's very brief statement will completely satisfy the turkey industry. Answering a question in commons concerning the possible abolition of import quotas or United States turkeys, he replied simply that: "...at the present time we have no thought in mind concerning any change."

(Translation):

It seems that Canadian turkey producers, particularly in the province of Quebec, are concerned about this situation. I have received a number of letters from turkey producers in my area in this connection; they are concerned and they ask me to seek additional information.

Before going on with my remarks, I should like to direct a question to the Minister of Agriculture with regard to this 4 million pound quota. Does this quota include all types of turkeys? I should particularly like to know whether it includes turkey poults, young turkeys, medium turkeys and others?

(Text):

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I think the answer to the hon. member's question is yes. It does include all types of turkeys.

(Translation):

Mr. Roberge: Mr. Chairman, I should like to direct another question to the minister. Has this maximum 4 million pound quota been in force throughout the year 1960?

(Text):

Mr. Hamilton (Qu'Appelle): The quota year is the calendar year. Therefore the quota is for 1961.

(Translation):

Mr. Roberge: And now, Mr. Chairman, in view of the answers just given by the minister, I must say that several of the letters I have received mention the fact that in 1960 over 6½ million pounds were imported from the United States.

On the other hand, in reply to a question put by my colleague for Drummond-Arthabaska, the parliamentary secretary to the Minister of Trade and Commerce (Mr. Morris) replied, as found on page 2294 of *Hansard*, that in 1960 the importation of 4,444,298 pounds of turkeys, live or killed, not reported elsewhere, was authorized, under 77 permits.

On the other hand, if we examine the report issued by the Department of Trade and Commerce, entitled "Trade of Canada Imports, December 1960" for the 12-month period ending December 1960, and most particularly page 46, we will note that 4,682,777 pounds were imported under those 77 permits, I presume. The same information may be found under item 2261, "Turkeys NOP". Under another item, i.e. number 2013 of the same publication, it is noted that the importation of baby chicks and turkey poults reached 7,614,095 pounds.

I do not have the details of this item; I do not know whether there are any, and the minister may be able to throw some light on that subject. In any case, this item covers chickens, young chickens and young turkeys: 7 million pounds of them. Supposing that even a third of this 7 million were comprised of young turkeys, I feel that the figure of 6½ million pounds which was given was not exaggerated.

Therefore, I ask the Minister of Agriculture why when a maximum quota is set at 4 million pounds, the importation of 4,682,777 pounds of small or large turkeys is permitted, including, I imagine, some 2 million pounds of young turkeys?

Does the department take the necessary steps to ensure that importers will not exceed the quotas permitted under their permits,

which quotas are intended for the protection of our turkey and young turkey industry?

(Text):

Mr. Hamilton (Qu'Appelle): I think the answer to the hon. member, Mr. Chairman, is that the Department of Trade and Commerce compiles figures relating to all turkey imports, whereas our figures deal with turkeys for consumption only. In other words, the trade and commerce figure would include poults that come in for feeding purposes. They are not for consumption.

Mr. Roberge: Is the minister saying that turkeys for consumption did not exceed the 4 million quota?

Mr. Hamilton (Qu'Appelle): I have not the final figures before me. However, if my memory serves me correctly the final figure was about 4,100,000. A check is made each quarter and the imports cannot go over 2 million for any one quarter with a maximum of 4 million for the year. However, if you get within round numbers of that figure, that is as close as you can get.

Mr. Roberge: Coming back to the article I just read from the *Family Herald*, the concern of the turkey growers is that the quota will remain. Can the minister say firmly now that the four million quota will stay?

Mr. Hamilton (Qu'Appelle): The answer to the hon. member's question is yes, the quota will stay at four million for this year and there will be the tariff of five cents.

Mr. Benidickson: I believe the Minister of Agriculture was one of the ministers who met with the members of the new United States administration. Was this one of the subjects discussed then?

Mr. Hamilton (Qu'Appelle): There were a number of subjects discussed between the six United States ministers and the four Canadian ministers, on which there have been discussions over the past years. I do not know whether or not this one was actually discussed by itself, but the whole general problem was discussed.

Mr. Milligan: Does the board of grain commissioners come under this particular vote?

The Chairman: No, it is under vote 29.

Item agreed to.

Board of grain commissioners (Canada Grain Act)—
29. Administration, $166,215.

Mr. Milligan: I should like to say a word in connection with this vote. I certainly agree that the board of grain commissioners is doing a very good job in the marketing of grain. I feel this is an example of orderly marketing that has proven itself. I only wish we could adopt this system of marketing for a lot of other products, and then agriculture would not be in the awkward position in which it is at the present time. I certainly believe we should be doing everything possible to protect the operations of the wheat board.

I am concerned about the restrictions that were lifted from feed mills in western Canada in relation to the buying of grain from the wheat board. I feel I should mention this item in particular because I was one of the people who took part in the negotiations which led to oats and barley being placed under the wheat board. The farmers of western Canada, through their farm organization representatives, came down to a meeting of the federation of agriculture and asked support from eastern Canada to have oats and barley placed under the wheat board. We thought this was good business. We thought it was a step in the right direction toward orderly marketing. At the same time, we realized the result would be an increase in the cost of feed in eastern Canada. However, we were prepared to meet our obligations.

There was no opportunity last fall during the meetings of the agriculture committee for the eastern organizations to present briefs on this subject. These organizations did not know anything about the hearings that were being held. Since that time I have received communications from the co-operative federee" in Quebec, the maritime feed services in the maritimes, from the united co-operative in Ontario and the Ontario federation concerning this move to allow feed mills to buy grain directly from the farmers. I am concerned about this procedure because I think it represents the thin edge of the wedge which may be driven in to weaken the operations of the wheat board. I hope the minister will take a new look at this situation when the authorization expires in July. I think there is discrimination against our eastern feeders.

In addition, there is a principle involved. Oats and barley were put under the wheat board about 1949, and after 12 years the western boys are the ones who come down here and ask to be released from the wheat board restrictions. We in the east are still obligated to pay wheat board prices.

Mr. Argue: They were not speaking for the farmers.

Mr. Milligan: I am buying western oats and I am paying $1 a bushel.

Mr. Argue: That is a crime.

Mr. Milligan: I was looking at the wheat board quotations and they are paying 78½ cents for oats. The minister was kind enough

to give us the figures to show what the feed mills were paying the farmers for western grain. In going over this list I find that none of the mills was paying over 55 cents for oats, 65 cents for barley and 95 cents for wheat. Certainly, if I could buy grain at those prices I would feel I could very easily beat the market. After going over these prices, I find they are the initial prices the wheat board is paying the farmer for grain. As I understand it, there is always a payment made to the farmers after the crop has been sold. I do not want to see the western farmer faced with any more problems or expense, but it does seem too bad that he cannot buy his grain as he would like.

I feel we should tie down the feed mills so that they would at least pay the initial price paid by the wheat board. I understand there are freight charges, elevator storage and all the rest of it placed against this grain when it is bought by the feed mills in western Canada. There could be regulations imposed upon the feed mills so that when they buy directly from the farmers they must pay the initial price paid by the wheat board plus whatever return there is from the grain after the crop is sold, on the same basis as we pay in the east.

This is not something new. I have discussed this grain question for the last 15 years in farm organizations. I have been told we need not pay these exorbitant prices for grain. We can buy it directly from the wheat board and store it, and that is exactly what the western farmer can do. Instead of buying from the feed mills, he can buy from the wheat board, store it and then take it over to the feed mill for processing. We have been told for five years that we are being exploited because, as I understand it, there are no storage facilities down here for the grain.

I have been told that the elevator storage at Prescott and Kingston at the present time is filled with export wheat No. 3 which has been there for some three or four years, with the result that there is no room for any more grain to be placed in those elevators. As a consequence we are left to be exploited by the grain trade. I think that is one of the reasons why we pay such enormous prices for grain today as compared with what the western farmer gets. I would not mind paying $1 a bushel for oats if the western farmer were getting that price on the farm, but I know he is not getting it.

For three years many of us have asked for the closing of the grain exchange because of the speculative market. We are leaving it wide open for the speculators to take advantage of the western producer and also of the feeder in the east. That is exactly what is taking place at the present time. We are left in short supply, with the result that we are obliged to depend on rail shipment. We are obliged to depend on the trade. They know we are in short supply and they exploit us and take advantage of the situation. I hope these conditions can be changed. I felt I should mention these things because I was one of the people who sat in at these negotiations. I think a principle is involved, namely the protection of the feeder in the east as well as the producer in the west. It seems to me that we must have one policy for agriculture right across Canada. Unless we have that kind of policy I do not think justice can be done to the feeders in eastern Canada.

Mr. Benidickson: I rise on a point of order for purposes of clarification owing to the fact that this year we have, I think for the first time, the transfer of responsibility for the Canadian wheat board to the Minister of Agriculture, the Canadian wheat board having previously been under the jurisdiction of the Minister of Trade and Commerce and having been in his estimates. I have no quarrel with that transfer. However, I have spoken to the Minister of Agriculture and have pointed out to him that unless a member of the committee of supply speaks on item No. 1, he might have some difficulty in speaking on problems tremendous in their scope which involve the Canadian wheat board.

I do not think the Canada Grain Act or the jurisdiction of the board of grain commissioners perhaps permitted the discussion we had from my hon. friend from Prince Edward-Lennox. However, I certainly did not want to interrupt him because he is a very conscientious member of the House of Commons and a good friend of mine. Nevertheless with the transfer of responsibility from the Department of Trade and Commerce to the Department of Agriculture I think we should have, as members of parliament, some clarification from the minister as to what debate he would expect in the future.

In my conversation with him, I think he asked me to look up the former practice when the wheat board was under the Department of Trade and Commerce. I attempted to do so during the dinner hour but I could not find that the situation was any different. I could not find under the Department of Trade and Commerce an item, shall I say, that would be equivalent to the absence of an item here in agriculture. It is a very big area of the minister's responsibility, whether he be the Minister of Agriculture or the Minister of Trade and Commerce. I have no particular suggestion to make if this has been traditional. We always have room for change and improvement.

I have already spoken this session making some complaint with regard to dollar items which offer opportunity for debate but which may, in so far as the estimates are concerned, have no real meaning. In this case I think perhaps I should be consistent. Unknown as it sometimes is to some of those interested in agriculture in eastern Canada, the Canadian wheat board operation is an operation of western farmers; and from what we are doing tonight it is obvious that the Canadian wheat board and its western farmer members absorb the cost of operation. We as parliamentarians are therefore not called upon to vote money for the operation of the Canadian wheat board. However, I thought perhaps the new Minister of Agriculture might give this matter some thought because it is extremely important.

Mr. Argue: On the point of order which the hon. member for Kenora-Rainy River has raised, if I may,—

Mr. Benidickson: Mr. Chairman, we cannot have two points of order at the same time. I spoke to a point of order.

Mr. Argue: I asked the hon. member to excuse me.

Mr. Benidickson: I will defer to the hon. member.

Mr. Argue: I thought the hon. member had concluded that part of his statement having to do with the point of order. As the hon. member has pointed out, it is perfectly true that there is not in the estimates an item covering the Canadian wheat board. However, under the general grain items, the board of grain commissioners and so on, it has been the practice in years gone by to discuss the Canadian wheat board and its operations. The Minister of Agriculture has the Canadian wheat board under his jurisdiction.

I was not able to be here yesterday. The government found it necessary to change the order of business, something about which I make no complaint. However, I feel that it would be in order for the committee to agree that the Canadian wheat board and the items surrounding it—and I am thinking particularly of the existing quotas on the prairies—might either be discussed under this item—and the discussion has already been broadened by the hon. member for Prince Edward-Lennox—or that, after the conclusion of the detailed items, we might revert to the administration item so that I might be able to make some comments on the wheat board quotas and one or two other matters that I should like to mention.

Mr. Benidickson: In response to the hon. member for Assiniboia may I say that I checked some debates in past years during the dinner recess and I find that, under the item respecting the Canadian board of grain commissioners, it has been traditional to have some reference to the wheat board. This practice has gone on for years. I am simply raising the point that I do not think it is perhaps desirable because when I look for the jurisdiction of the board of grain commissioners which is contained in the Canada Grain Act, I cannot find that it is too appropriate for the wheat board discussions.

Mr. Argue: Do you want to discuss that point?

An hon. Member: Wait your turn.

Mr. Benidickson: I join with the hon. member for Assiniboia in simply pointing this out and asking for the usual traditional discussion on this item. It has gone on for a long time. However, I had a previous discussion with the Minister of Agriculture to whom I think only this year has the wheat board been referred for ministerial responsibility. I suggested to him that perhaps in another year a dollar item would be appropriate, which item would provide us surely with the opportunity of discussing the wheat board. I know that the formers minister of trade and commerce who is the leader of the house, knowing the tradition, would not for a moment object to the committee discussing wheat board matters tonight on this item. I was simply saying that for future guidance and clarification we could perhaps have a better arrangement for the estimates of the government.

Mr. Hamilton (Qu'Appelle): On the point of order, Mr. Chairman, I should say that the hon. member for Kenora-Rainy River raised this matter with me before the recess. I said there should certainly be discussion on the Canadian wheat board and its operations on my estimates. I was not too sure about just what the experience and background had been and I asked the hon. member to look it up. In the meanwhile I have also checked. The hon. member is quite right when he says that traditionally the Canadian wheat board has always been discussed under item 1 of the Department of Trade and Commerce.

Under item 1 of the estimates of the Department of Agriculture this year the wheat board was discussed by the leader of the C.C.F. party, the hon. member for Assiniboia. Apparently the question now is whether the wheat board can again be discussed under the vote concerning the board of grain commissioners, which is the vote now under consideration.

All the remarks made by the hon. member for Prince Edward-Lennox were, of

course, out of order; they had nothing whatsoever to do with the board of grain commissioners.

It is for you, Mr. Chairman, to decide whether at this time we should change our custom in midstream or follow the traditional custom that the house has followed for many years. As far as I am concerned, in answer to the point of order raised by the hon. member for Kenora-Rainy River, I think there should be a clear understanding about where this item is to be discussed. I had not actually faced up to it until before the recess, when it was raised by the hon. member.

I should like to suggest that the debate on this matter of where the wheat board should be discussed should be dealt with at this time. My colleague, the Minister of Veterans Affairs, has dealt with this matter on previous occasions and I would ask him to take up the point of order where I have left off.

Mr. Churchill: On the point of order, Mr. Chairman, my recollection is that in the session of 1957-58, the summer session of 1958 and the sessions of 1959 and 1960, when I was in charge of the wheat board, it was discussed under the first item of the Department of Trade and Commerce. I think that is where it should be discussed.

I think it would be quite wrong to bring under this vote concerning the board of grain commissioners a general discussion of the wheat board, because the two boards operate in separate fields.

That is my recollection of what has been done in the past. I have a good recollection of the debate last year on this matter. At that time quite considerable attention was paid to the Canadian wheat board, and that was done under the first item.

Mr. Argue: On the point of order, Mr. Chairman, if I may be allowed to say another word, under the former administration there was no hesitation in allowing discussion of the general grain situation when we came to a grain item. Right Hon. C. D. Howe did not hesitate to allow discussion in detail of the operations of the Canadian wheat board under this particular item which has a specific relationship to the board of grain commissioners. I suggest that the government should be lenient with the committee in allowing us to carry on this particular tradition.

Mr. Churchill: Have you the page references of *Hansard* to substantiate those statements?

Mr. Argue: No, I have not; but I have been here a long time and I make that statement knowing it to be correct.

I would make a further statement. I plead with the Minister of Veterans Affairs, who is the house leader, to look at this question rather leniently because the progress in this house for the session must depend upon the co-operation of all parties.

It was announced before the Easter recess that the first order of business for last Monday would be a supply motion. For reasons of the convenience of the government it was felt necessary to change the order of business. It is quite correct that the Minister of Veterans Affairs tried repeatedly to reach me in Saskatchewan and was unable to do so through no fault of his own. I was not near a telephone and he was unable to reach me.

However, I think that since the hon. members of this house, including the members of this group, were prepared to give unanimous consent to the government to change the order of business and to take estimates on a day when hon. members had the right to move a supply motion, no matter what the agreement, it is only a fair request to ask that the very important item of Canadian wheat board policy should be open for discussion by hon. members under this item, or, as I suggested earlier, at the end of the detailed items, to allow us to revert to item 1 for a discussion on this particular matter.

There are one or two other specific matters which I should like to discuss, but I do not want to get into them at this time. However, surely the question of the Canadian wheat board policy is of sufficient importance that the government should accede to a request that an appropriate place be allocated, either at this moment or at some later stage by agreement, for discussing this policy.

Because of the visit of Prime Minister Macmillan and certain arrangements which the government had to make, those in the official opposition and in this group were co-operative and I suggest the government should also be co-operative with us on occasion.

Mr. Churchill: Why did you say "on occasion"? We are frequently co-operative.

Mr. Argue: We try to be as co-operative as we can, and so does the minister. If the minister does not like the words "on occasion", I will say "on many occasions", or "on frequent occasions", or "on most occasions".

Mr. Churchill: Mr. Chairman, may I reply to the hon. member who was unavailable by telephone on Friday and who was expected to return, according to his office, on Sunday night—and had he returned then I would have been in touch with him in regard to the changes in the program for Monday—that

we are quite agreeable to making some reasonable arrangement with the hon. member for Assiniboia.

If we could complete the remaining few items under the Department of Agriculture I would suggest, in deference to the wish of the hon. member for Assiniboia who was unavoidably absent yesterday, that he be permitted to speak on this general subject if he wishes, leaving sufficient time for the Minister of Agriculture to reply.

If that is agreeable to other hon. members of the committee, I presume it will be agreeable to the Minister of Agriculture.

Mr. Benidickson: Mr. Chairman, on the point of order, having raised this problem because it arises from a transfer of jurisdiction of the Canadian wheat board, may I say that I had a short time for research during the dinner recess. I am informed very authoritatively that affairs relating to the Canadian wheat board have for many years been discussed under the item concerning the board of grain commissioners.

I would agree immediately with the suggestion of the leader of the house that we might postpone this item at the moment, if this is agreeable to the hon. member for Assiniboia, for an opportunity for us all to look at the traditional pattern and keep up the tradition.

I really raised the point because I thought we should have something more reliable to follow next year in our procedure. I thought that the Canadian wheat board was of sufficient importance that no hon. member of the committee should be under any misconception that he must speak with respect to the salary of the Minister of Agriculture or otherwise have no chance to speak at all. It was on that basis that I thought perhaps we could raise this problem.

I do not for a moment suggest that we should depart from our traditional practice, and I hope that is not the intention of the leader of the house. However, if it is acceptable to most hon. members of the committee I would suggest that we continue with other items and in the meantime we will have an opportunity to look at the pattern of debates in the past with respect to the Canadian wheat board to establish the precedents.

Mr. McIntosh: On the point of order, Mr. Chairman, I trust that the leader of the house did not mean that the debate will be entirely between the leader of the C.C.F. group and the Minister of Agriculture. I hope the house leader meant that the opportunity would be open to all of us to take part in this debate.

Mr. Benidickson: Oh, quite.

[Mr. Churchill.]

Mr. McIntosh: I did not take that from what the minister said.

The Chairman: I am, of course, in the hands of the committee but I may point out that the advice I have been able to secure would indicate that this question of the wheat board should be discussed under item 1 of the estimates of the Department of Agriculture, now that responsibility has been transferred to that department, in the same way as it was discussed in the past under item 1 of the estimates of the Department of Trade and Commerce. However, I realize I do not have to rule definitely on that tonight if the suggestion of the leader of the house is accepted, because hon. members may have been taken by surprise because of the change.

I would point out, however, that item 1 of the estimates of the Department of Agriculture has been discussed on six different days, February 24, March 16, 17, 23 and 24, and April 1. Of course, if I understand the idea behind the suggestion made by the leader of the house, it is based on the fact that the hon. member for Assiniboia was not here yesterday and therefore could not take the opportunity of speaking on item 1. On the other hand it may be that other hon. members who had the opportunity of discussing the same item should not ask for the same treatment. That is how I understood the suggestion made by the leader of the house.

Mr. Argue: I am the last person in this committee to ask for special treatment and I do not ask for special treatment. If the item is to be open for me to speak and for the minister to make a reply it must be open to other hon. members to make comments if they see fit. I say that on the basis of ordinary common sense and the progress this session there must be some agreement by the government that this item can be discussed either now or on reversion to item 1.

Mr. Churchill: Will you finish the discussion tonight?

Mr. Argue: I will finish my part of the discussion tonight but I cannot be held responsible for what other hon. members may do. I will make my comments if I am given an opportunity. But I suggest to the leader of the house that if the government wants the co-operation of hon. members from all sides it should consider this question I am putting forward now because co-operation does work both ways and I think this is a reasonable request. Indeed, I am a little surprised there has been some hesitancy on the part of the government about granting it.

Mr. Benidickson: On the point of order, the leader of the house, the present Minister of Veterans Affairs, was formerly minister

of trade and commerce, and responsibility for the wheat board was then his. It has been transferred to the Minister of Agriculture, I think during the present session.

Now, to judge by the remarks made by the Minister of Veterans Affairs the hon. gentleman was just about as uncertain as I was with regard to some of the history behind this. I want to assure him that we in this party are not going to abuse unduly the privilege if a discussion of this item is permitted. I cannot, of course, give a guarantee for all my colleagues but it is not our intention to delay the passage of these estimates. However, I thought it was appropriate to raise the question when I noticed that we have really nothing specific in the estimates under which the wheat board could be discussed. I mentioned to the new Minister of Agriculture tonight that I did have some responsibility, having been associated with the former minister of finance. We did not do better then to provide such an item. We discussed this in a most friendly way. I suggested that there was something wrong if we did not seek to question the vote for the minister's own salary, that somewhere else in the book of estimates members should have no opportunity to discuss the activities of such an important quasi-governmental organization as the wheat board even if the wheat board charges all its costs to the farmers and does not ask the taxpayers for anything in this book of estimates.

Mr. Hamilton (Qu'Appelle): In view of the remarks which have been made by the hon. member for Assiniboia I think I should make my personal attitude on this subject very clear. I welcome at all times a debate on the Canadian wheat board and its operations but I should like to make it very plain to the committee—and this is a matter of personal privilege which is now raised—that I have had my estimates before the committee on several days this year. On the night prior to Friday, March 24, for example, a decision or agreement was made that I would have the next day for my estimates, the whole Friday. I was asked to step aside for one speaker from the C.C.F. group, one speaker only who would take just half an hour. When the debate began on Friday morning the hon. member for Timmins spoke as was agreed and then he was followed by several C.C.F. speakers all of whom went against the agreement made with me with regard to my estimates.

Mr. Argue: I made no agreement with you.

Mr. Hamilton (Qu'Appelle): I wish the hon. member for Assiniboia would let me finish. I understood that when the hon. member who speaks for that party comes across—and the hon. member is present now—and says we have agreed that there should be just one speaker, the word of that member covers the word of all the other members. I agreed to stand down and let the interim supply measure go ahead of me. If hon. members look at the record in *Hansard* of March 24 they will find that not even a full page was allowed me that day. All I had was about 15 minutes. I think this question of understandings and convenience works both ways, and if this house is to operate as it ought to operate in a democratic parliament there has to be understanding on both sides. I think there has to be some very serious consideration given, Mr. Chairman, before we revert to an earlier item and open up this debate again.

The second point I should like to make is that the hon. member for Assiniboia has spoken on item 1. He has spoken on the wheat board. Now he is again asking for the same privilege. In addition, he wants to open up the subject so that all members of the committee can join in. This was their privilege when item 1 was under discussion and a number of hon. members took advantage of it.

Ordinarily I should like to make arrangements for the convenience of all hon. members. I know the inconvenience which was caused by the change of the order of the government's business, but it should be remembered that before the house rose for the Easter recess I myself was seriously inconvenienced by the actions of the C.C.F. group.

Mr. Martin (Timmins): I should like to say just a word on this because my name has been brought into the discussion. I had no intention of speaking to this point of order but the minister has brought my name into it. He said an agreement was made on behalf of this group, that I made a speech and was followed by several other C.C.F. members. That is entirely untrue. We kept that agreement. I spoke—and spoke very briefly—and no other members of this group spoke at that time. A vote was taken immediately after I had finished speaking.

Mr. Hamilton (Qu'Appelle): I am very sorry to have to contradict the hon. member but I have *Hansard* here. Turn to March 24 and read the record. There was no vote at all. This was a straight fight between the C.C.F. and the Liberals over old age pensions and who did the most for pensioners 25 years ago. They spent the whole day debating that and there was no vote on it at all until we got to the end of the day on the question of supply. This was on March 24 and the understanding was reached the previous night.

Mr. McIntosh: Before you decide on this point, Mr. Chairman, I want to point out that you have already allowed one hon. member to speak with regard to the wheat board on this item. He has made certain statements to which I feel that we, as western members, should reply. It does not matter whether the hon. member who spoke is the leader of a party or not. The constituents whom we represent are as entitled to the same rights as those of anyone else in this chamber.

Mr. Argue: Before you make a ruling, Mr. Chairman, since the Minister of Agriculture has already apparently vetoed any suggestion regarding unanimous consent relating to item 1 in order to discuss the Canadian wheat board, I would ask you to rule in order what has been a long-standing custom of this house, namely, that this item of the board of grain commissioners and its administration be discussed, to allow a general discussion of the wheat situation in Canada, and a general discussion not only affecting the operation of the board of grain commissioners but also of the Canadian wheat board. The late Right Hon. C. D. Howe has been accused in this house very vehemently on previous occasions by present members of the government of being the architect of closure, but the late Right Hon. C. D. Howe never for one moment tried to thwart a discussion of the Canadian wheat board in the House of Commons, as this government is trying to do at this time. I do not know what the Minister of Agriculture is afraid of, but he—

Some hon. Members: Order.

Mr. Argue: On a point of order—

The Chairman: Order. I do not think the hon. member is correct in raising this argument because it seems to me when the application of the rules is questioned by an hon. member, which he is entitled to do, it is for the Chair to decide whether the point of order is well taken.

Mr. Argue: I am not disputing your prerogative to make a decision. I cannot understand the campaign by the cabinet ministers in an attempt to stop you from ruling that this is in order, as it has been ruled by so many chairmen over so many years. Perhaps the point was well made by the hon. member for Swift Current-Maple Creek, that you cannot have two rules in this house affecting members. The hon. member for Prince Edward-Lennox was allowed to deal with the Canadian wheat board and the Canadian wheat board only, but not in any way with the board of grain commissioners. I suggest that you cannot have one rule for a member on the government side and another rule of closure for members on the opposition side. I suggest that the wheat quotas in western Canada are a national disgrace, especially in that part of the country from which I come, and that the minister's policy with regard to equalizing wheat quotas stinks, and that we should have a chance to discuss these things.

The Chairman: Order. I have pointed out that when the hon. member for Prince Edward-Lennox spoke, no point of order was taken, but that the point was raised after he had resumed his seat. It seems to me, therefore, that this is not good reason for saying that an hon. member is entitled to reply. On occasion an hon. member will make a statement which is out of order, but surely that is not good reason for another hon. member to be allowed to continue out of order.

The second point I must raise is that when a point of order is raised the Chair has to decide what interpretation should be applied to the rule, and, therefore, the Chair is not at liberty to make any kind of a deal. If the committee wishes to grant an hon. member permission to speak on a certain topic that is permissible but I must point out to the hon. member for Swift Current-Maple Creek that the suggestion of the leader of the house to allow the hon. member for Assiniboia to speak about the wheat board could only have been acceptable with unanimous consent. If an hon. member objects the Chair must apply the rule and declare that such a discussion is out of order. The Chair must apply the rule this way because hon. members wishing to speak on some other subject cannot be forced, for the sake of one hon. member of the committee, to listen to a discussion which is out of order. I would say, therefore, that if the Chair is called upon to rule on this point of order it must be declared that it has been well taken.

Mr. McIntosh: Did you give the first speaker permission to speak on the wheat board when he started?

The Chairman: I did not give permission but, as I indicated, no point of order was raised and the Chair was not aware that the wheat board was not mentioned specifically in the agricultural estimates.

Mr. Benidickson: May I speak to the point of order? I would say that perhaps I was the only one who devoted some time during the dinner recess to a review of past debates in connection with this item.

Some hon. Members: Hear, hear.

Mr. Benidickson: I do not require any cheers in connection with this statement. I only wanted to say that I have discovered

that invariably over a period of 15 years the discussion regarding the wheat board takes place under this item.

I should like to repeat that prior to six o'clock I indicated that this might not be strictly in order, but I spoke to the new minister in whose estimates this item appears, because this year we had a transfer of this important item to his Department of Agriculture. I want to say that I knew what the situation was when debate started on this item but remained silent largely out of deference to my colleague, a member of the government party, for the constituency of Prince Edward-Lennox, with no thought of interrupting him, when he discussed the wheat board on the board of grain commissioners item because my studies had persuaded me that this had been regular traditionally. I did not think the chairman of the committee would start to restrict us, and I am going to say, with all respect to you, Mr. Chairman, that one of these days I will make a long speech on a point of order with reference to rules that have been made in the committee of the whole and the committee of supply that differ from those made during 22 years under the previous government.

Mr. Argue: I think the ruling which has been made represents a very grave mistake. I think Your Honour by making this ruling has—

Some hon. Members: Order.

The Chairman: Order.

An hon. Member: Withdraw.

Mr. Argue: I will not withdraw.

The Chairman: Order. I indicated to hon. members that if no agreement was reached I would make a ruling. If there is no way of satisfying hon. members, such as following the suggestion of the hon. leader of the house, I will have to rule that the only point which should be under consideration is whether some accommodations should be made regarding the rules of the house. As I indicated, if the Chair is called upon to make a ruling there is no choice but to apply the rules. But if the committee agrees to some other arrangement the Chair has no choice but to accept that arrangement.

Mr. Benidickson: Mr. Chairman, are you ruling that a discussion in respect of the Canadian wheat board, which has been traditional since the inception of the wheat board —about 15 years ago—is not appropriate in connection with this item? If that is so, having heard the supporters of the government say that they have heard from the members of their own party, from eastern Canada, cast some aspersions with respect to policies of the Canadian wheat board and that they would like to reply, I would move, I hope with the endorsation of the hon. member for Assiniboia:

That item 29 of the estimates be discussed after item 36 respecting the Department of Agriculture in this committee of supply.

Mr. Argue: I am not sure, Mr. Chairman, whether such a motion is in order in the light of the ruling you have made but I would point out to the hon. member for Kenora-Rainy River that he set a trap for himself by raising a point of order. I thought he had enough experience in the committee to know that the opposition should be careful about raising points of order that may bring about a ruling by the Chair having the effect of preventing the speeches they claim they want to make.

Mr. Benidickson: I rise on a point of order.

Mr. Argue: I am speaking to a point of order. When we get around to it we are going to appeal your ruling.

The Chairman: Order. I think the only point of order the hon. member can raise now is whether or not the motion is in order and I thought that was the point with which he was going to deal. If that is the case I will hear him.

Mr. Argue: I thought you had made a ruling. Perhaps you have not. If you are going to accept the motion we will be prepared to support it in the hope that when we get to the item you may make a more lenient ruling and reverse a decision which I suggest is repugnant to parliament and repugnant to the conduct of business in the house.

Mr. Churchill: Mr. Chairman, on that point I rise to read from citation 72 on page 62 of Beauchesne, fourth edition.

The Speaker's actions cannot be criticized incidentally in debate or upon any form of proceeding except a substantive motion.

I read further from page 63 where Beauchesne quotes Redlich whose work was published some time ago.

"To an Englishman—"

We can substitute "Canadian" there.

"—it would appear seriously to undermine the exalted position and dignity of the Speaker—"

In this instance the chairman of committee of supply.

"—if, in addition to his application of the rules being open to challenge upon special and important occasions, it was competent for every member to call in question the Speaker's authority whenever he chose, and if he was liable at all times to be called upon to defend the correctness of his decisions."

My point is that the hon. member for Assiniboia has risen in his place to criticize the decision of the Chair and he should withdraw his remarks.

Mr. Argue: I have no remarks to withdraw. I say that closure by this means today is just as repugnant to parliament as closure was in the pipe-line debate and I am surprised at the statement made by the Minister of Veterans Affairs. I am highly surprised.

The Chairman: Order. I trust the hon. member did not mean that in making a ruling the Chair was applying closure because if that is what the hon. member said I will have to ask him to withdraw his words without any qualification.

Mr. Argue: Mr. Chairman, you said you had not made your ruling. I said that when you got around to it, having in mind the lack of response on the part of the government, if you were going to rule that we could not discuss under the item for the board of grain commissioners the policies of the Canadian wheat board which over the years we have traditionally discussed on this item—

Mr. Churchill: Give me the page reference.

Mr. Argue: —that that was a type of closure. I do not intend to sit silent while closure by the front door or by the back door is being applied.

Mr. Churchill: Produce the evidence.

Mr. Cardiff: Mr. Chairman, when did it come about in this house that a member of the C.C.F. party was more important than any other member in the house?

The Chairman: Order. As far as the motion of the hon. member for Kenora-Rainy River is concerned, it appears to me to be out of order because the only motions allowed in committee of supply are motions to reduce the amount of the item or that the chairman leave the chair. I refer to Beauchesne, fourth edition, citation 242, paragraph 2.

I will have to make a ruling on the point of order raised by the hon. member for Kenora-Rainy River. I have indicated that whatever the feeling of any hon. member may be the Chair has no choice but to apply the rules and the rules are very clear and definite that speeches in committee of the whole house must be strictly relevant to the item or clause under consideration. That applies especially to every item except item No. 1 of a department. On item No. 1 it is the practice, of course, to allow a discussion of all problems concerning a department. In my view a discussion of the wheat board is not relevant under the item we are now discussing. It could have been discussed under item No. 1. It has been discussed generally in the past under item No. 1 of the Department of Trade and Commerce and therefore the proper time to discuss it was when item No. 1 of the Department of Agriculture was before the committee. Therefore I rule that any discussion of the wheat board under this item is out of order.

Mr. Argue: With great respect, Mr. Chairman, I appeal your ruling.

Mr. Benidickson: Have you ruled my motion out of order?

Some hon. Members: Yes.

Mr. Argue: With great respect, Mr. Chairman, I appeal your ruling that we cannot discuss the Canadian wheat board under this item.

Mr. Speaker resumed the chair, and the chairman of the committee made the following report:

In committee of supply when the vote concerning the board of grain commissioners was being considered I ruled that debate on the operations of the wheat board was not relevant to the item before the committee, and that as the Chair was bound by section 2 of standing order 59, he must insist on relevancy of debate, whereupon Mr. Argue appealed to the house from the decision of the Chair.

Mr. Speaker put the question as follows:

The question is an appeal to the house from the ruling of the chairman of committee of supply as follows:

In committee of supply when the vote concerning the board of grain commissioners was being considered the chairman ruled that debate on the operations of the wheat board was not relevant to the item before the committee, and that as the Chair was bound by section 2 of standing order 59, he must insist on relevancy of debate, whereupon Mr. Argue appealed to the house from the decision of the Chair.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Aiken	Campeau
Anderson	Cardiff
Baldwin	Casselman, Mrs.
Beech	Cathers
Bell (Carleton)	Charlton
Bell (Saint John-Albert)	Churchill
Belzile	Comtois
Best	Cooper
Bissonnette	Creaghan
Bourbonnais	Crouse
Browne (Vancouver-Kingsway)	Danforth
	Deschambault
Bruchesi	Dinsdale
Brunsden	Doucett
Campbell (Lambton-Kent)	Drysdale
	Dubois
Campbell (Stormont)	English

Fairfield	Morissette
Fane	Morton
Flemming (Royal)	Nowlan
Grafftey	O'Hurley
Grills	Pallett
Halpenny	Pascoe
Hamilton (Notre Dame de Grace)	Paul
	Payne
Hamilton (Qu'Appelle)	Rapp
Henderson	Ricard
Hicks	Richard (Kamouraska)
Horner (The Battlefords)	Rogers
Johnson	Rompre
Jones	Rowe
Jorgenson	Rynard
Keays	Sevigny
Lahaye	Simpson
Lambert	Skoreyko
Latour	Small
Letourneau	Smith (Lincoln)
Macdonnell	Smith (Simcoe North)
MacEwan	Southam
MacInnis	Speakman
MacLean (Queens)	Spencer
MacLellan	Starr
Macquarrie	Stearns
MacRae	Stefanson
McFarlane	Tassé
McGee	Taylor
McGrath	Thomas
Maloney	Thompson
Martel	Tremblay
Martineau	Valade
Martini	Villeneuve
Matthews	Walker
Monteith (Perth)	Webster
Monteith (Verdun)	Weichel
Montgomery	Winkler—108.
More	

NAYS

Messrs:

Argue	Herridge
Badanai	Leduc
Batten	Macnaughton
Benidickson	McIlraith
Boivin	McIntosh
Boulanger	Martin (Timmins)
Bourget	Meunier
Bourque	Nasserden
Brassard (Lapointe)	Peters
Carter	Pickersgill
Clermont	Regier
Denis	Richard (St. Maurice-Lafleche)
Deschatelets	
Eudes	Roberge
Fisher	Robichaud
Habel	Tardif—32.
Hellyer	

Mr. Speaker: I declare the ruling confirmed.

Mr. M. W. Martin (Timmins): I rise on a question of privilege, Mr. Speaker. A short time ago, the Minister of Agriculture (Mr. Hamilton)—

Mr. Speaker: Order. I am advised that my duties at this time are limited to the disposal of the appeal.

SUPPLY

The house resumed in committee of supply, Mr. Flynn in the chair.

DEPARTMENT OF AGRICULTURE

Board of grain commissioners—
(Canada Grain Act)

29. Administration, $166,215.

Mr. Argue: Mr. Chairman, on vote 29—

Some hon. Members: Sit down.

The Chairman: Order. A question of privilege has been raised.

Mr. Martin (Timmins): Mr. Chairman, a short time ago the Minister of Agriculture raised the matter of a broken agreement in which I was supposed to have participated. Since then I have had an opportunity to check *Hansard*. I believe the minister referred to March 24. I find that the minister is mixing up two different debates.

On March 24 I raised the matter of old age pensions under interim supply. There was no agreement, nor could there have been any agreement because neither the government nor the official opposition could have known the matter I would raise at that time.

I think the minister has mixed this up with the debate on NATO under the supplementary estimates, at which time there was an agreement entered into by myself and the rest of this party.

I know the minister would not like to be unfair. Possibly in the heat of debate he made this error and I would ask the minister to withdraw the implications contained in his remarks at that time.

The Chairman: Shall vote 29 carry?

Mr. Argue: Mr. Chairman, I wish to say a few words on vote 29, the administration of the board of grain commissioners. I have some statistics here that I think are rather amazing in light of all the wild and optimistic statements which have been made by the Minister of Agriculture.

Our overseas clearances of barley to date have been only 13.2 million bushels, while a year ago they were 25.9 million bushels. This is a drop of 12.7 million bushels. The amount exported, the overseas clearances of barley this year to date, are just about 50 per cent of the amount last year.

One can only ask why we have such gloomy figures, in light of the minister's boast that everything is well, everything is improving and conditions are getting better. The grain situation in Canada today is probably tighter than it has ever been. There is probably more congestion than there has ever been. The farmers are having great difficulty in marketing grain because of the congestion. I do not see from the figures in my hand that there is any real hope that this congestion is going

to be alleviated, because month after month the congestion seems to get worse.

The visible supplies of all grains in various positions to date amount to 413.2 million bushels, whereas a year ago they amounted to 364.7 million bushels. I ask the minister whether this is a deliberate policy on the part of the government to take in every possible bushel of grain to bring about a further congestion, a further filling of available storage space, or whether these visible supplies of grain in all positions—

Mr. Brunsden: Mr. Chairman, on a point of order—

Mr. Argue: —has been increased because—

Mr. Brunsden: I rise on a point of order, Mr. Chairman. This item has to do with the administration of the board of grain commissioners. Our hon. friend from Assiniboia has been away for a few days and since he returned he has been trying very hard to crowd *Hansard*. I suggest that the hon. member is entirely out of order when he discusses visible supplies and export shipments of grain.

Mr. Argue: Mr. Chairman, the hon. gentleman may be an authority on the rules but he is scarcely an authority on the board of grain commissioners. The statistics that I have quoted have a very great deal to do with the administration of the board of grain commissioners. This is what the board of grain commissioners is all about.

My hon. friend may not know it, but the board of grain commissioners has to do with the assembling, the grading and storage of grain all across this country. The wheat board has to do with issuing tickets and it has to do with carrying out some of the government's policies like this dollar an acre payment, which is still treaty money. The Canadian wheat board has to do with the markets, or the lack of markets.

When it comes to the amount of congestion in the country and the kind of statistics to which I have referred, these matters certainly have to do with the board of grain commisioners. My honourable and learned friend, who is usually very much on the ball and very accurate in his frequent and consistent interruptions, is away off base tonight. The statistics to which I have referred have to do with the administration of the board of grain commissioners.

I want to ask the minister some more questions. Why should the visible supplies of grain be going up by such an amount and so fast? Has it to do with more storage facilities available in the country, or has it to do with the greater congestion that has been brought about by the policies of the government?

I want to know why, after all this tremendous fanfare about new markets, the market for overseas clearance of Canadian oats, should have just about disappeared? It was .8 million bushels of wheat this year, as compared with 3.8 million bushels of wheat to the same date a year ago. I think the minister owes it to the committee to tell us why these statistics are so gloomy, in light of his very optimistic statements to the House of Commons.

I want to know the reason for the figures concerning farmer's marketings to date, 199 million bushels of wheat as compared with 180.8 million bushels a year ago. I want to know why the situation as far as quotas in the minister's province and my own are concerned should be so bleak and so gloomy. I ask the Minister of Agriculture why he does not do something about the quotas.

I do not know why many of the farmers he and I represent should, after eight months of the crop year, be told to market only a one bushel quota, and some of them hoping to have a two bushel quota—

Some hon. Members: Order.

Mr. Argue: I hear "Order" from my hon. friends opposite. They are good at interrupting from their seats but they are not very good at explaining why these statistics should be so gloomy and why the minister should make these fantastic statements.

An hon. Member: They have nothing to do with this vote.

Mr. Argue: They have a lot to do with overseas clearances. They have a lot to do with congestion. The hon. member who is no longer parliamentary secretary to the Minister of Agriculture knows you cannot market your grain unless you have—

An hon. Member: Out of order again.

Mr. Argue: Oh no, I am right on the subject of the board of grain commissioners. I know hon. members opposite are impatient—

Mr. Brunsden: Speaking to this point of order, Mr. Chairman, I have before me the Canada Grain Act and I quote for the record and for the benefit of the hon. member for Assiniboia, the responsibilities of the board. They include the grading of grain, the weighing of grain, the making of deductions for dockage or shrinkage, elevator shortages, the unfair or discriminatory operation of any elevator—

Mr. Argue: Elevator storage.

Mr. Brunsden: The deterioration of any grain during storage or treatment—

Mr. Argue: Hear, hear.

Mr. Brunsden: —the refusal or neglect of any person to comply with any provision of the act, or any other matter arising out of the performance of the duties of the board.

I respectfully submit that once again the hon. member for Assiniboia is taking liberties with you and the committee in attempting to inject into this discussion the matter of wheat quotas in western Canada and the export trade.

Mr. Argue: I do not think the hon. gentleman can be serious about that point of order, because obviously everything I have referred to is covered by this tremendously wide catch-all definition which he has very accurately read to the committee. There are many items which he has read of which I was not aware a moment ago. That gives me a great deal more latitude than I had anticipated would be mine at this time. The hon. member talks about storage facilities. That raises the whole question of the policy in relation to storage facilities. It raises the whole question of whether this minister is going to allow the grain trade to keep on making tens of millions of dollars at the expense of the producers and the treasury.

The Chairman: Order. I have myself been reading section 9 of the Canada Grain Act and I must say there are many subjects mentioned there, but the export of grain is not one of them. These subjects referred to are all of a somewhat technical nature. If the hon. member would indicate how he relates his remarks to the objects of the board as indicated in section 9 I should be obliged.

Mr. Argue: This section which has already been referred to reads as follows—

An hon. Member: Not again.

Mr. Argue: I know you would not like to hear it again, but after hearing it twice perhaps you would have a greater understanding.

Mr. Hamilton (Notre Dame de Grace): Perhaps after reading it once you will have some understanding.

Mr. Argue: It reads:

> The board and the chief commissioner shall have jurisdiction, upon or without complaint made, to inquire into any matter relating to
>
> (a) the grading of any grain;
>
> (b) the weighing of any grain;
>
> (c) the deductions made from any grain for storage or shrinkage;

Mr. Brunsden: On a point of order, Mr. Chairman, the hon. member has substituted the word "storage" for "dockage".

Mr. Argue: The hon. member obviously cannot read or he would not be making foolish interruptions.

Mr. Brunsden: Read clause (c) again.

Mr. Argue: It continues:

> (f) the deterioration of any grain during storage or treatment;
>
> (g) the refusal or neglect of any person to comply with any provision of the act;
>
> (h) any other matter arising out of the performance of the duties of the board.

An hon. Member: Where are the quotas?

Mr. Argue: The quotas are here. The quotas have a definite and close relationship to the storage facilities because you cannot have storage facilities that are full or over congested, as these obviously are, without having had some quotas. It is like the chicken and the egg; they usually go together.

The Chairman: I must point out to the hon. member that the act does not refer to storage facilities in the sense he has indicated.

Mr. Argue: Mr. Chairman, I have in my hand a publication put out by the Board of Grain Commissioners for Canada, statistics branch, showing the Canadian grain position at close of business on Wednesday, March 29, 1961. The code number of the bulletin is 420.3. I remember Mr. C. D. Howe sat on this for years. I was here about ten years or more before I was able to ferret out this particular publication, but I have it in my hand now and it is put out by the board of grain commissioners. We used to ask the minister of trade commerce what the exports had been, and he would say, "Oh, I cannot disclose the exports of grain because that would put the wheat board in a difficult competitive position". Yet we found that the board was issuing these figures publicly to the trade. Then, when I asked the present Minister of Agriculture about certain items which have to do with the marketing of grain he said, "Do not bother me in the House of Commons; I will send you a weekly letter." Well, the weekly letter comes but the figures get worse. The situation gets worse and I think I am very much in order in quoting from reports put out by the board of grain commissioners though, of course, honourable and sensitive members opposite may say, "Oh, this has to do with the wheat board." It does. It is a publication issued by the board of grain commissioners having to do with the grain situation in this country and it shows what a mess the government has been making of many phases of the situation today. I do not wonder that the minister does not want to try to justify that

mess. I do not wonder why he cannot answer and tell us the reason for this tremendous congestion.

Mr. Grafftey: You have missed your calling.

Mr. Argue: Brome-Missisquoi is barking again.

Mr. Grafftey: You have missed your calling.

Mr. Argue: The hon. member has obviously missed his, but that will be taken care of soon. He is on temporary leave.

An hon. Member: You hope.

Mr. Argue: That is all right, Mr. Chairman. He has come here as a young man. He is a personable fellow and he has learned a little here.

An hon. Member: Is this part of the leadership race?

Mr. Argue: These are all interesting comments, Mr. Chairman, and they are undoubtedly in order or you would have ruled otherwise. They are very helpful, but I do not think they explain the mess which has been made of the grain situation. The elevator situation on the prairies, which is within the control of the board of grain commissioners, makes it obvious that there is room for a change in policy and I wish the Minister of Agriculture would do something about it. My hon. friend from Burnaby-Coquitlam has been waiting patiently all evening to say something on this item.

An hon. Member: Well, why don't you sit down?

Mr. Argue: He waits patiently while 200 Tories—or rather, not 200 but about 50—who have wandered in impatiently not wishing to listen to the discussion but only to use their overwhelming majority to control procedures in this committee—

The Chairman: Order. May I indicate to the hon. member that he is far from the subject of the board of grain commissioners and I would say again that he has not succeeded in convincing me that we can discuss export policy under the Canada Grain Act. These are matters, as I indicated before, which really concern only the handling of grain. There is no question of policy being involved in section 9 and I have also gone over the other sections of the act. Unless the hon. member can point to another section which would be appropriate to his argument I shall have to say he is out of order in discussing the export of grain.

Mr. Argue: Surely one cannot be out of order when quoting from a publication.

Mr. Pickersgill: Before you make a final ruling I would like to say a word on the point of order. It seems to me, sir, that it should not be forgotten that in past years, until an order was made by the governor in council, the board of grain commissioners and the wheat board were under the jurisdiction of the minister of trade and commerce. It so happens this year that they are under the jurisdiction of the Minister of Agriculture, and I think he would admit that this is one of his heaviest responsibilities. It does seem to me that all of us in this committee are taking a very dangerous position when we suggest that one of the most important of all the industries in this country should be precluded from discussion because of technicalities. I do not think that our conduct in this regard will be very well viewed in the country.

Mr. Argue: Mr. Chairman, I am continuing to point out how very difficult the grain situation is, and I suggest this is very much in order, since I shall be quoting from the board of grain commissioners statistics branch, not the wheat board statistics branch.

The Canadian grain position at the close of business, Wednesday, March 29, 1961 showed that Canadian visible wheat totalled 413.2 bushels reflecting a decline of only 1.2 million bushels during the week under review. Preliminary marketings were steady at 4.4 million bushels but export shipments fell off form the relatively high level in recent weeks to only 3.5 million bushels clear.

The minister may not like to hear this, and may say that it is the wheat board's policy, but I am quoting from a publication of the board of grain commissioners. It shows 1.5 million bushels from Vancouver and 2 million bushels from the east coast ports of Saint John and Halifax. This is a dismal and black showing which the Minister of Agriculture of course cannot defend. Clearings now total 29.9 bushels of wheat, some 5.6 bushels better than export wheat loadings from these two ports during the 1959-60 season.

The minister may take some encouragement from that last sentence but I suggest that these statements are serious and we should have a reply from the minister. He should tell us why, after he goes out across this country telling farmers that everything is well and that conditions are improving—just have faith in John and we will get out of the woods somehow—these statistics keep coming in showing the serious position of the grain trade in Canada at this time. I think our producers would like to know whether there are going to be additional facilities provided for the storage of grain; whether these statistics put out by the board of grain commissioners are likely to show any improvement in the weeks ahead or whether

there is going to be continued congestion and a further drop-off—I hope not—of export clearings and an almost total disappearance of the market for oats; a reduction in overseas clearances for barley of almost 50 per cent. The Minister of Agriculture apparently does not want to defend this position but I think he owes it to this committee to tell us what he intends to do about this difficult situation.

I would like to know whether the board of grain commissioners has anything to do at this time with the handling of box cars. In years gone by the allocation of box cars was done by one of the commissioners of the board, a Mr. Milner, who used his authority with railway companies—or persuasive powers, when he had any—to try to arrive at an agreement in respect of the allocation of box cars. The government has removed the transport controller, or has not brought in legislation which would again give a member of that board the all-inclusive power, which the board once held, of allocating box cars. I would like to hear from the minister, when he replies at an appropriate occasion, about the extent of jurisdiction the board of grain commissioners will have over the allocation of box cars. I would like to know the number of complaints the minister has received with regard to the grading of grain and dockage and overages. Clearly all of these questions are within the jurisdiction of the board of grain commissioners.

I would like to know why the government has delayed in bringing the board of grain commissioners under the Department of Agriculture. Did the Prime Minister forget that the board of grain commissioners was under the Department of Trade and Commerce? Was this an afterthought when the Prime Minister discovered he had moved the wheat board to the Department of Agriculture but had left the board of grain commissioners in the Department of Trade and Commerce? I wonder why there was such a long delay in transferring the board of grain commissioners to the Department of Agriculture?

Mr. Chairman, if I see the clock accurately, I would call it ten o'clock.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, I believe the house leader was to indicate what further departments were contemplated for the rest of the week.

Mr. Churchill: Mr. Speaker, we will continue tomorrow, Thursday and Friday, with the estimates of the Department of Agriculture, the post office and public works.

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

Questions

ANSWER TO QUESTION

The following answer, deposited with the Clerk of the house, is printed in the official report of debates pursuant to standing order 39:

YARMOUTH, N.S.-ROCKLAND, MAINE FERRY SERVICE

Question No. 177—**Mr. Fisher:**

1. Has the government under consideration any subsidy or other aid to provide for a car and passenger ferry between Yarmouth, Nova Scotia, and Rockland, Maine?

2. If so, what are the details and consideration involved?

3. If not, has the government any views or has it made any statements regarding the proposal that a foreign ship owner operate the *City of Havana* on this route for a three-month period?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

1. No.

2. Answered by No. 1.

3. No statements have been made and the government has not formulated any views on such a proposal. On March 31, a letter was received from the mayor of Yarmouth, N.S., suggesting that the *City of Havana* could be acquired by purchase and operated between Yarmouth, N.S., and a New England port for the summer months, to supplement the service of the M/V *Bluenose*. The Canadian maritime commission will examine this suggestion and report.

[The following items were passed in committee of supply]:

DEPARTMENT OF AGRICULTURE

Livestock division—

17. Operation and maintenance including premiums on purebred sires and contributions for livestock improvement; stockyard supervision and furs, $2,861,681.

18. Supervision of race track betting, $682,786.

19. Grants to agricultural fairs, exhibitions and museums in accordance with regulations of the governor in council; payments pursuant to agreements in force on March 31, 1961, with exhibitions covering the construction of buildings and other major undertakings; and a grant of $50,000 to the Royal Agricultural Winter Fair, Toronto, and freight assistance on livestock shipments for exhibition thereat, $967,600.

20. Special grant to Royal Agricultural Winter Fair, Toronto, $450,000.

22. Grants to agricultural organizations as detailed in the estimates, $260,250.

23. To authorize, notwithstanding sections 33 and 35 of the Financial Administration Act, the issue by the Minister of Agriculture, in accordance with terms and conditions prescribed by the governor in council, of premium warrants for high grade hog carcasses, and to authorize the charging to this vote of the value of premium warrants at the time they are issued and the value of any unredeemed premium warrants issued in previous fiscal years, notwithstanding that the total value of all premium warrants to be charged may exceed the estimated cost of the program which is, $6,865,000.

24. Operation and maintenance including seeds, Plant products division—
feeds, fertilizers, insecticides and fungicides control, $2,121,639.

25. Freight assistance on western feed grains, $20,000,000.

26. Agricultural lime assistance, $1,300,000.

27. Plant protection division, $1,283,468.

28. Poultry division, $1,248,856.

HOUSE OF COMMONS

Wednesday, April 12, 1961

The house met at 2.30 p.m.

ESTATE TAX

CONVENTION BETWEEN CANADA AND UNITED STATES FOR AVOIDANCE OF DOUBLE TAXATION

Hon. Donald M. Fleming (Minister of Finance) moved for leave to introduce Bill No. C-82, to implement a convention between Canada and the United States of America for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons.

Motion agreed to and bill read the first time.

STARRED QUESTIONS

DIRECTIVE RESPECTING RETIREMENT BEFORE 65

Question No. 234—**Mr. Tardif:**

1. Has any directive been issued in any government department encouraging civil servants to tender their resignations before the normal retirement age of 65 years?
2. If so, what is the purpose of this directive, and under whose authority, and in what department has it been circulated?

Hon. Noel Dorion (Secretary of State): The answer to part 1 of this question is no. Part 2 is answered by the answer to part 1.

R.C.A.F. AIRCRAFT PUBLICATIONS, 1958-59

Question No. 241—**Mr. Hellyer:**

1. Were any aircraft equipment schedules, repair manuals, parts manuals, or other documents, relating to aircraft no longer in the R.C.A.F. serviceable inventory, printed during the fiscal year 1958-59?
2. If so, what were they, and how many copies of each were printed?
3. Have any of them been burned since the time of publication?
4. If so, how many?

Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence): The answer to this question is as follows:

1 and 2. R.C.A.F. records reveal that no aircraft equipment schedules, repair manuals or parts manuals relating to aircraft no longer in the R.C.A.F. serviceable inventory were printed during the fiscal year 1958-59.

However, it is presumed that the hon. member is referring to the work which began in 1957-58 to organize into a permanent standardized form the originals and/or copies of R.C.A.F. aircraft engineering drawings and records accumulated over 25 or more years. This work culminated in the fiscal year 1958-59 in the printing by the Zerox process of 40 different sets of books containing the drawings and descriptive material of 70 aircraft which had been in service with the R.C.A.F.

3 and 4. The original estimated need called for 40 sets of this work, but it was later decided that six sets would meet the requirement, including one for the R.C.A.F. air historian and one for the national air museum. The remaining 34 sets were subsequently shredded and disposed of as paper scrap.

[*Later:*]

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence, supplementary to my starred question No. 241. Will the minister explain to the house the necessity for the R.C.A.F. to prepare, at a cost of tens of thousands of dollars, standard engineering orders for aircraft no longer in service?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, the hon. member has made a misstatement in purporting to ask a question. The cost of this operation was not tens of thousands of dollars—

Mr. Hellyer: Was it hundreds of thousands?

Mr. Harkness:—nor hundreds of thousands, nor anything else along that line. I think the actual cost was $11,004.43. The purpose of preparing those books was to have in one place for historical and checking purposes the specifications, and so on, of the various types of airplanes which have been in use by the R.C.A.F., and thus relieve the files of a voluminous amount of material which is occupying space which could be put to much better use.

Mr. Hellyer: Would the minister say it was a sort of bureaucratic make-work project?

Mr. Harkness: Mr. Speaker, on a point of order, I think purported questions of this kind, which are not questions but interjections which have no real relevance to the matter on which the first question was based, should be ruled out of order.

Starred Questions

Mr. Speaker: I agree with the point of order; the second question was not supplementary, but rather a comment and not in order.

C.N.R. PROPERTY, LUSTER LAKE, QUE.

Question No. 244—**Mr. Fisher:**

1. Does the C.N.R. own any land or buildings adjacent to Luster lake, P.Q.?
2. If so, was any work done on this property in 1960 requiring the use of a bulldozer or employees of the bridge and building department of the C.N.R.?
3. To what purposes was such work put?
4. If the C.N.R. does not own any property or buildings on Luster lake, were any C.N.R. workers used on private property at that lake in 1960 for any purposes whatsoever?
5. If so, on whose property was it?

Hon. George H. Hees (Acting Minister of Transport): Mr. Speaker, the answers to this question are as follows:

1. No.

2 and 3. Not applicable.

4. Yes. The owner was charged in accordance with standard practice where work is performed for other companies, municipalities or individuals.

5. Donald Gordon.

C.N.R. MOVEMENT OF BOX CAR STATIONS

Question No. 245—**Mr. Fisher:**

1. Did the C.N.R. move boxcar stations from Hawthorne, Nepean, and Pontiac to Odinback in 1960?
2. If so, for what purposes were the moves made?

Hon. George H. Hees (Acting Minister of Transport):

1 and 2. Three portable shelters were moved to Odinback in 1960 for use as station facilities and equipment storage.

STUDY GROUP, MONTREAL HARBOUR FACILITIES

Question No. 246—**Mr. Fisher:**

1. At the present time, or within the past three months, is or has a committee or board or group been engaged in a study of Montreal harbour and its facilities and any extension of those facilities to include Sorel?
2. If so, who are the advisers or consultants or committee members?
3. What are their qualifications, what posts do they now hold, and what remuneration are they to receive?

Hon. George H. Hees (Acting Minister of Transport): Mr. Speaker, as the answer to this question is very long and detailed I wonder whether it could be included in the record of *Hansard* without being read?

Mr. Speaker: Is it agreed that this lengthy answer be incorporated in *Hansard* without being read?

Some hon. Members: Agreed.

[Mr. Harkness.]

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

The national harbours board advises as follows:

1. The Montreal harbour planning committee is at present engaged in a study of Montreal harbour and its facilities, and its terms of reference do not include Sorel.

2. The members of this committee are: Paul Kuhring, former chief engineer of the St. Lawrence ship channel branch of the Department of Transport; chairman of the committee; G. H. Kohl, alternate member, St. Lawrence river joint board of engineers, Canadian section; D. F. Purves, chief of development branch, research department, Canadian National Railways; M. Boudreau, assistant chief engineer, St. Lawrence river ship channel branch of the Department of Transport; G. S. Anderson, assistant port manager (administration), Montreal harbour.

3. Mr. Paul L. Kuhring is a graduate engineer of U. of N.B. (1913); he was employed 34 years with D.O.T. as engineer, assistant chief engineer and chief engineer of the St. Lawrence ship channel branch of D.O.T. until July 16, 1958, when he retired from the public service; now full time chairman of the committee at a salary of $10,140 per annum;

Mr. Geo. H. Kohl is a graduate engineer of McGill University (1910); he was chief engineer of the St. Lawrence river joint board of engineers; is now alternate representative for Canada on this joint board on a per diem allowance when acting as such; is a member of the committee at a per diem allowance of $100 when performing such duties;

Mr. Purves is a graduate in commerce from U.B.C. and holds a master's degree in transportation, industrial engineering and economics (Columbia University); he is chief of the development branch, research department, C.N.R., and does not receive any additional remuneration as a member of the Montreal harbour planning committee;

J. Maurice G. Boudreau is a graduate engineer, University of Montreal (1931), and has been employed with the St. Lawrence ship channel branch of D.O.T. since 1935, of which branch he was promoted as assistant chief engineer in 1958; he is still acting in this capacity and does not receive any additional remuneration as a member of the Montreal harbour planning committee;

G. S. Anderson is a graduate engineer U. of Sask. (1931), has been on the staff of the National harbours board since 1936; he was promoted to assistant port manager (admin).

Montreal harbour, in 1957, and is still employed as such; he does not receive any additional remuneration as a member of the Montreal harbour planning committee.

POST OFFICE DEPARTMENT DISMISSALS, N.B.

Question No. 247—**Mr. McWilliam:**

1. Have there been any dismissals in the personnel of the Post Office Department in New Brunswick since July 1957, in group 1 to 30, group 31 to 34, and staff offices, for political reasons?
2. If so, what are the names of the individuals, and the names of the post offices?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, this question asks whether there have been dismissals of certain personnel of the post office for political reasons.

The answer is as follows:

1. No; this government does not dismiss employees for political reasons. However, one dismissal in New Brunswick took place during the period mentioned on the grounds of political partisanship and evidence of unsatisfactory management of the office.

2. The person concerned was Mrs. Margaret Elizabeth MacFarlane, Temperance Vale, New Brunswick.

MOTIONS FOR PAPERS

JOE SYROTA, SAULT STE. MARIE—R.C.M.P. INVESTIGATION

Motion No. 97—**Mr. Fisher:**

For a copy of all correspondence exchanged between the Minister of Justice or the officials of the R.C.M.P. and any other persons relating to an incident at Sault Ste. Marie on the night of February 18, 1961, which involved the entry and search of a room rented by a Mr. Joe Syrota.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, my preliminary information is that there is correspondence here that can be produced. I am therefore prepared to accept the motion, subject to the understanding that if there is any correspondence of a nature which would ordinarily be regarded as privileged, it will not be produced.

I make this observation because it may be that there is something in the way of an interdepartmental report, which of course would not be produced, but there is other correspondence which can be produced.

Mr. Speaker: Subject to the explanation given by the minister is it the pleasure of the house to adopt the motion?

Motion agreed to.

"EMPLOYER'S HANDBOOK ON INSURING FISHERMEN"

Motion No. 98—**Mr. Robichaud:**

For a sample copy in English and in French of all editions of *Employer's Handbook on Insuring Fishermen* issued by the unemployment insurance commission from 1956 to date.

Motion agreed to.

TRADE

ATLANTIC FREE TRADE AREA—REPORTED STATEMENT BY U.K. PRIME MINISTER

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he would care to comment on the statement made at his press conference yesterday by the Prime Minister of the United Kingdom indicating strong support for an Atlantic free trade area.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, during the course of the discussions that took place between the Prime Minister of the United Kingdom and myself, one of the most important subjects discussed was trade, and in particular the United Kingdom's relationship with Europe. Mr. Macmillan explained at length the position of the United Kingdom in regard to trade, and naturally there was an expression of the need for the widest possible expansion of trade and the strengthening of the economic relations among the countries of the Atlantic community. It was recognized that this relationship which is developing in Europe is one that will take a very considerable period of time.

In so far as the United Kingdom's attitude toward the common market is concerned Mr. Macmillan left me with the clear impression that the United Kingdom government intends to make every effort to work out a satisfactory means of participating in the economic organization of Europe without in any way detrimentally affecting Canada's trade. This he envisages as a major step forward which ultimately may lead to a wider development of trade to encompass the Atlantic community.

Mr. Hazen Argue (Assiniboia): I wish to ask a supplementary question. Can we take it from the Prime Minister's statement that he has received an assurance from Prime Minister Macmillan that under any new arrangement Canadian export products—and I have in mind particularly Canadian agricultural products—will enjoy the same preferences and advantages in the United Kingdom market that they enjoy at the present time?

Mr. Diefenbaker: The Prime Minister of the United Kingdom has discussed this matter with me on a number of occasions. It has been discussed as well by members of the cabinet with their corresponding numbers in the United Kingdom, and the desire is to assure that anything that may be done by the

United Kingdom shall not detrimentally affect the exports of Canadian agricultural products and the like.

Mr. H. W. Herridge (Kootenay West): I should like to ask a further supplementary question. Did Prime Minister Macmillan inform the right hon. gentleman that it was Britain's intention to enter the inner six?

Mr. Diefenbaker: I think any announcement in that regard or any steps taken in that direction would be for the Prime Minister of the United Kingdom to make in his own time.

URANIUM—REQUEST FOR STATEMENT ON CONTRACT WITH UNITED KINGDOM

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister a question arising out of a statement reported to have been made by the Prime Minister of the United Kingdom at a press conference yesterday, to the effect there was a clear understanding on the issue of the commitment of the United Kingdom to purchase uranium in Canada. Would the Prime Minister tell the house what that clear understanding is?

Right Hon. J. G. Diefenbaker (Prime Minister): I think in view of the attitude taken by the hon. member for Assiniboia I should refrain from making a piecemeal report. When I make a complete statement I shall cover this subject.

Mr. Pearson: I ask this question because this statement was made not in the official discussions between the two governments but was made at a press conference outside of those discussions.

Mr. Diefenbaker: It represented, as Mr. Macmillan was reported to have said, the purport of the discussions between us. When I make a report this will be one of those things to which I will refer.

PROPOSED U.S. RESTRICTIONS ON TOURIST IMPORTS

On the orders of the day:

Hon. Donald M. Fleming (Minister of Finance): Yesterday the hon. member for Fort William directed a question to my colleague the Minister of Trade and Commerce concerning the exemption of tourist purchases from tariff duties as between Canada and the United States. As this is a tariff matter it falls under the responsibility of the Minister of Finance. I may say to him that nothing further has occurred since I last answered a question on this matter in the house directed by the hon. member for Nipissing.

TRANSPORT

RICHELIEU WATERWAY—FORMATION OF JOINT U.S.-CANADA COMMITTEE

On the orders of the day:

Mr. Maurice Johnson (Chambly-Rouville): I wish to direct a question to the Acting Minister of Transport in the absence of the minister.

(Translation):

Could the minister inform the house about a press report in this morning's paper to the effect that the Secretary of State of the United States is attempting to obtain the views of the Canadian government regarding the formation of a Canada-U.S. joint committee to consider the feasibility of deepening the Richelieu river?

Hon. George H. Hees (Acting Minister of Transport): Mr. Speaker, I shall take this question as notice and bring it to the minister's attention with the request that he answer it tomorrow.

(Text):

[*Later:*]

Mr. Lucien Cardin (Richelieu-Vercheres): I would like to direct a question to the right hon. Prime Minister. Has the Prime Minister been made aware of a statement by Senator Aiken of Vermont, as reported by United Press International, to the effect that if Canada has misgivings about the Champlain waterway project, which would provide a waterway from New York to the St. Lawrence river and the great lakes, the United States should proceed with the project on its own? Because of the great interest shown both in the United States and in Canada in this project, would the government reconsider the decision that it took in December last to not engage in a joint economic study with the United States in regard to this project?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not read the particular remarks of the United States senator. I do not think there is anything I can add to what was said in December. If there is any change in that regard the house will, of course, be made aware of it.

METROPOLITAN TORONTO—REPORTED REQUEST FOR SUBWAY LOAN

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of Public Works. Will the minister advise the house whether the government has yet taken a decision on granting a loan to the Toronto transit commission for the acceleration of the east-west subway in Toronto?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I want to thank the hon. member for always addressing this question to me. However, I am just the Minister of Public Works.

SASKATCHEWAN

RESERVATION OF LEGISLATION RESPECTING MINING CONTRACTS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Prime Minister. Can the Prime Minister say whether the government has received Bill No. 56 of the Saskatchewan legislature, which the lieutenant governor refused to sign? Has the governor in council given consideration to this bill, and when will the government have an announcement to make?

Right Hon. J. G. Diefenbaker (Prime Minister): I read in the press that the hon. gentleman has already made a lengthy statement in this connection without full regard for the constitutional procedure which must be followed.

The course taken is that which has usually been followed throughout the years since the days of Sir John A. Macdonald, with the possible exception of 1937, when the lieutenant governor of Alberta reserved assent for the consideration of the Governor General in regard to three pieces of legislation in that province. The reservations by lieutenant governors have been generally accepted as dependent upon a request from the governor in council. There was no discussion in this regard, as I have already pointed out. We had no knowledge of the action to be taken by the lieutenant governor. However, the action was taken, and as yet the reasons which the lieutenant governor is required to transmit to the Governor General for the course he followed have not come to hand. As soon as they do the governor in council will take such action as is deemed proper, with full regard to the fact that this government has consistently taken the attitude that if legislation is within the legislative competence of the provinces, except constitutionally in extraordinary circumstances there should be no interference with provincial jurisdiction.

Mr. Argue: Mr. Speaker, in view of the strong statement the Prime Minister has just made do I take it that the government is considering a replacement for the present lieutenant governor of Saskatchewan?

Mr. Speaker: Order. The hon. member I think will recognize that it is improper to ask questions that reflect upon the conduct of one of Her Majesty's representatives. I will of course permit the Prime Minister to comment but I wanted to take that preliminary objection. In this house if any reflection upon the conduct of a representative of Her Majesty is desired to be made it must be done by positive motion.

Mr. Diefenbaker: Mr. Speaker, I shall say no more than that even the hon. gentleman should have known that remarks such as he has made are not in keeping with his responsibilities as a member of the House of Commons.

Mr. Argue: Mr. Speaker, on the point of order raised in regard to my responsibilities as a member of this house, I suggest that I have already fulfilled my responsibilities in making my position clear, and I suggest that the record will show that the Prime Minister by very definite inference has criticized the lieutenant governor of Saskatchewan.

Mr. Diefenbaker: So there will be no mistake about that, Mr. Speaker, I pointed out that the lieutenant governor had certain responsibilities under the constitution. I also pointed out the manner in which they had been discharged generally since the days of Sir John A. Macdonald. The power is there, and it is not for me to say whether or not at this time the government of Canada is in full accord or in accord at all with the attitude or action taken. Suffice it to say that so long as the lieutenant governor discharges his responsibilities according to his rights, hon. gentlemen should not make statements such as those which so easily flow from the lips of the hon. member for Assiniboia.

SPORTS

OLYMPIC GAMES—INQUIRY AS TO REPORT ON SITE

On the orders of the day:

Mr. Harold Hicks (Fraser Valley): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Has the minister as yet been advised of the findings of the engineering engaged to study possible sites in Canada for the 1968 winter Olympic games?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, the engineering consultants were hired by the Canadian Olympic Association with the assistance of a $10,000 grant from my department. I am advised that the report is expected any day by the association, which hopes before too long to come to a decision as to the site that would best support Canada's chance of being selected as the host country.

Inquiries of the Ministry

Mr. E. W. Brunsden (Medicine Hat): I would like to ask a supplementary question, Mr. Speaker. Would the minister comment on the fact that the preponderant volume of opinion is in favour of the Banff, Alberta, site?

Mr. M. L. McFarlane (Kootenay East): I would like to ask a further supplementary question. Has the government considered making a statement on the extent of the financial support it would be prepared to give toward the development of whatever site is chosen in British Columbia?

Mr. Monteith (Perth): No, Mr. Speaker.

THE CENSUS

INQUIRY AS TO APPOINTMENT OF COMMISSIONERS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the genial Minister of Trade and Commerce. It springs from my insatiable curiosity. In view of large scale unemployment, can the minister assure the house that capable unemployed persons have been appointed as census commissioners and that party affiliation was not a factor in their appointment?

Hon. George H. Hees (Minister of Trade and Commerce): Since the taking of the census is a very important and exacting operation, it must be carried out extremely carefully and well. It is of the greatest importance that only people who are capable and able to perform this task should be selected. With this in mind, the selections have been made by choosing the very best persons available to carry out that task in each area concerned.

EXTERNAL AFFAIRS

REQUEST FOR REPORT ON VISIT OF U.K. PRIME MINISTER

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister whether he proposes to follow the normal constitutional custom and report to the house as soon as possible on the visit of the Prime Minister of the United Kingdom and on the subjects discussed between the two governments during that visit?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I will be glad to do so now if the house is agreeable. I did not know whether there would be any desire to have a report. If the house so wishes I shall be glad to give one.

[Mr. Monteith (Perth).]

Mr. Hazen Argue (Assiniboia): On that point, I think the time to do it is when motions are called so there could be comments from each of the parties. I suggest that the Prime Minister might make the statement tomorrow when motions are called.

DRUGS

BARBITURATES—INQUIRY AS TO TABLING OF REPORT

On the orders of the day:

Mr. Romuald Bourque (Outremont-St. Jean): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. In view of the campaign being waged by newspapers throughout Canada against the distribution of goof balls, will the minister advise the house when the report he has promised us concerning goof balls will be tabled?

Hon. J. W. Monteith (Minister of National Health and Welfare): I do not think I have ever at any time promised a report. I said I was having an examination made within my department; in fact it involves other departments of government as well. When that is complete I will then be in a position to announce to the house whatever action can be taken.

(Translation):

LABOUR CONDITIONS

REFERENCE TO ARTICLE IN "LE DROIT" RESPECTING LAY-OFFS

On the orders of the day:

Hon. Noel Dorion (Secretary of State): Mr. Speaker, yesterday the hon. member for Maisonneuve-Rosemont asked me whether I had seen a report published in *Le Droit* for April 10 and whether I had any comments to make on this rumour, concerning, and I quote from the newspaper:

> Considerable lay-offs of civil servants at the government's request.

—to which the news item made reference.

Mr. Speaker, I have made inquiries and I am pleased to inform the hon. member that this is merely a rumour, without any basis in fact.

(Text):

COMBINES

INQUIRY AS TO INVESTIGATION OF ELECTRICAL COMPANIES

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): May I ask the Minister of Justice whether he is in a position to answer a question which I first asked on February 7 and repeated on March

28. In fairness to the minister I must say he was not in the house at the time I asked the question, but his colleague undertook to bring it to his attention.

Hon. E. D. Fulton (Minister of Justice): I will have a look at *Hansard* for those two days and bring forward an answer as soon as possible.

[*Later:*]

Mr. Fulton: Since the hon. member for Burin-Burgeo asked me a few moments ago if I would look into the matter of bringing forward an answer to the question which he first asked on February 7 I have checked *Hansard*. I find his question was, in effect, whether in view of the conviction and imposition of fines as well as imprisonment on United States officials of certain electrical manufacturing companies I would bring the matter to the attention of the officials of the combines branch with instructions that an investigation along similar lines be carried out in Canada.

I apologize to the hon. member for not having answered him directly, but since he asked that question a somewhat similar question was asked by the hon. member for Kootenay West. At that time I made a reply to the effect that it is not necessary for me to bring these matters to the attention of the combines branch because they always have these possibilities before them. I am quite satisfied that it is not necessary for me to alert them to the necessity of being on the lookout for such situations in Canada.

POWER

YELLOWKNIFE—FRANCHISE TO PRIVATE COMPANY IN EDMONTON

On the orders of the day:

Mr. M. W. Martin (Timmins): I should like to direct a question to the Minister of Northern Affairs and National Resources, and I regret the very short notice I was able to give him. Has the minister received a communication form Mr. D. Dale, secretary of the Yellowknife miners union, protesting the granting of a 10-year power franchise by the municipal government to a private company in Edmonton? Will the minister state what steps are being taken to ensure that the citizens of Yellowknife may continue to enjoy the lower electricity rates provided by the publicly owned Snare river hydro development?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): No such communication has come to my attention, Mr. Speaker, but I will make inquiries and bring in a reply at a later date.

Mr. Argue: You received it 10 days ago.

CIVIL DEFENCE

REQUEST FOR STATEMENT ON CONSTRUCTION OF SHELTER AT CARP, ONT.

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I wonder if the Prime Minister would care to comment on a front page story by Norman Campbell in yesterday's Ottawa *Citizen* that a war shelter is being constructed at Carp. Since this is a rather detailed report I wonder whether members of parliament might be given the same confidence of the government that Mr. Campbell received.

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, the institution in question has been described in the house as an experimental army signals establishment, and that is what it is. I do not believe the members of the government, including the Prime Minister, should be called upon to confirm or deny speculative stories such as the one referred to by the hon. member, of which there have been a large number concerning not only this location but a number of other locations.

Mr. Argue: Since the substitute prime minister has made this very important reply to my question, I wonder if he would give the house an idea as to the 400 persons who have been selected to occupy this shelter.

Mr. Harkness: Mr. Speaker, the hon. member is, in effect, calling into question the accuracy of the reply which I just made. I think he is completely out of order in doing so. In addition, he has phrased his question in an offensive manner.

Mr. Argue: Mr. Speaker, may I raise a point of order. I understood the minister to say that he was neither confirming nor denying the report. Since he lent that amount of credence to the report, I thought I should ask a further question.

Mr. Harkness: I thought I made it clear, Mr. Speaker, that I was neither confirming nor denying this report, and neither have I done so in the past with regard to the various other reports, of which there have been perhaps dozens by this time, along the same lines but having to do with different locations.

PUBLIC BUILDINGS

WINNIPEG—ADDITION TO WHEAT BOARD OFFICE BUILDING

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask the Minister of Agriculture whether the Canadian wheat board is proposing, as an urgent project, to make an

addition to its office building in Winnipeg, and if so how soon the construction is expected to start.

Hon. Alvin Hamilton (Minister of Agriculture): I cannot give the exact times, but I believe some time last year a decision was made to construct a new office building for the Canadian wheat board. Last winter the old building next door to the office was torn down. I believe the timetable calls for the new building to be completed in 1961-62. I can ascertain the exact time and give the hon. member an answer later.

Mr. Pickersgill: I wonder if the minister could give me the exact time.

Mr. Speaker: Perhaps the hon. member would be able to pursue his inquiry at the next stage of these proceedings.

Mr. Pickersgill: On a point of order, Mr. Speaker, may I say that yesterday I waited patiently to make this inquiry when the minister's estimates were being considered, but we were denied the opportunity. It was for this reason that I asked my question today.

Mr. Speaker: It seems to me the question is one which would be more appropriately asked during consideration of the estimates, but the hon. member has given it an air of urgency by asking if it is a relief project.

INDIAN AFFAIRS

SARNIA, ONT.—INSTALMENT PAYMENT ON SALE OF LAND

On the orders of the day:

Mr. John Charlton (Parliamentary Secretary to the Minister of Citizenship and Immigration): With regard to the question asked yesterday by the hon. member for Bonavista-Twillingate, which appears on page 3532 of *Hansard,* the answer is yes; although the crown is not a party to the lawsuit, we understand that Chief Telford Adams' injunction action against Dimensional Investments Limited is still pending in the supreme court of Ontario.

Hon. J. W. Pickersgill (Bonavista-Twillingate): If I may, I should like to put a question to the Minister of Citizenship and Immigration with respect to this very important matter. Will the minister give us an assurance that the crown will give no title to any part of this property while any litigation is proceeding?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I surely do not have to reassure the house on the matter of the protection of the rights of the Indians. As long as there is a legal position in their favour, certainly we would not act otherwise.

ARTS, LETTERS AND SCIENCES

"LADY CHATTERLEY'S LOVER"—INQUIRY AS TO INSTRUCTIONS TO CUSTOMS AND POLICE OFFICIALS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask a question of the Minister of Justice. Since the appeal court in Quebec has decided that Lawrence's novel "Lady Chatterley's Lover" is obscene under the Criminal Code, have instructions gone out to customs or police officials that the book is now so classified for all of Canada?

Hon. E. D. Fulton (Minister of Justice): No, Mr. Speaker, not from my department.

SUPPLY

The house in committee of supply, Mr. Flynn in the chair.

DEPARTMENT OF AGRICULTURE

Board of grain commissioners—

29. Administration, $166,215.

The Chairman: This item will be found on page 7 of the blue book, the details on page 122.

Mr. Regier: I understand that recent negotiations with the government at Peking for the sale of Canadian grain, especially wheat, have been handicapped by the lack of adequate facilities for loading grain on the west coast. If newspaper reports can be relied upon, I believe even the minister admitted that the sales might have been larger had there been greater facilities for the loading of the ships.

For a considerable number of years now on the west coast we have been handicapped by the lack of adequate facilities for the loading of ships. I believe I am right in saying that Canadian grain producers have received less than they might have received if at all times there had been adequate loading facilities on the west coast. Many a shipment has had to go by way of the St. Lawrence route or maybe even the Hudson bay route which could have been more economically served out of west coast ports. However, because of the inadequacy of our facilities the grain had to be moved to Hudson bay or to the head of the lakes, or even indeed to Halifax or Saint John. The interest being shown in Asia in Canadian grain has aggravated the problem.

I know the minister was out in British Columbia rather recently and he realizes the

conditions that have prevailed. The minister pleaded for more facilities. Like the late Will Rogers, all I know is what I read in the papers, but I understand that the minister appealed to private enterprise to build the additional facilities that are so urgently needed on the west coast. We have a wonderful harbour there on Burrard inlet, covering North Vancouver, North Burnaby and Port Moody; and there is all kinds of room there for the building of additional terminals and facilities for the loading of ships with Canadian grain. If we look ahead and begin to anticipate the movement that grain is likely to follow in years to come, I think we cannot blind our eyes—

The Chairman: Order. May I ask the hon. member whether he would not consider that his remarks would be more appropriate under items 31 and 32, which are concerned with the operation and maintenance of elevators and the construction and acquisition of lands for that purpose. To my mind the board of grain commissioners has nothing to do with the construction or the availability of storage.

Mr. Argue: They do have something to do with it.

Mr. Regier: —If you will let me have a minute or two, Mr. Chairman, I shall be finished. I intend to be only a limited number of minutes and I should like to conclude my remarks. As I understand it, the board of grain commissioners are very much involved in this matter in that they are responsible for considering the facilities that are available. I realize at once, Mr. Chairman, the correctness of your contention that I might also have raised this matter under item 32.

Mr. Argue: On the point of order that has been raised, may I say this. I think what the hon. member is saying is clearly in order under this item. It may also be in order under item 32. The board of grain commissioners has the power to license, and the power to license is closely associated with the availability of storage space. I myself am going to have some remarks to make on this item in that regard, and I think I can show clearly that the ability to license in many instances can mean the availability of space. I would think this discussion is in order.

Mr. Regier: What I was attempting to say, Mr. Chairman, is that I feel that the minister's appeal when he last was in Vancouver is rather a vain hope indeed, when he appeals to the private grain companies to build terminal facilities in the lower mainland of British Columbia. World movements of grain are very indefinite. The patterns may radically alter. I think it is too much to expect private enterprise to interest itself at this stage when we cannot clearly look into the future, and to risk tens of millions of dollars in building new and adequate terminal facilities in the lower mainland of British Columbia.

I believe this is a case in which the government itself must take whatever risk is involved in building additional facilities. I believe the minister is most unrealistic when he expresses the hope that the private grain trade is going to risk the large amount of capital that is involved in this particular matter. I believe the government ought to recognize that in the next 30, 40, 50 or even 100 years the countries of Asia are going to be the major markets for Canadian grain. Private enterprise are not likely to risk this investment because they might have to operate at a deficit for five, ten or any number of years in the future, and in the national interest the government ought to consider that it is responsible for ensuring that at all times adequate receiving and loading facilities will be available on the west coast.

I recommend to the minister that he give up his vain wish that the private grain trade might build additional terminals on Burrard inlet, and I hope the government will give very serious consideration to building these new terminals. I should especially commend Burrard inlet and the city of Port Moody to the minister, and I would ask that no time be lost in this regard, because from the time of the conception of a terminal until its completion a number of years must necessarily elapse.

I hope the government will make up its mind that Asia offers a terrific potential in the way of markets for Canadian grain and that this grain can be most economically exported from the lower mainland of British Columbia. I suggest it is a vain hope to expect the private grain industry to build the necessary facilities, and I hope the government will realize its responsibility to the economy not only of the grain producers of the prairies but also of the lower mainland of British Columbia. I hope the government will take immediate steps to ensure that additional terminals and loading facilities are built as soon as possible on Burrard inlet, and especially within the limits of the city of Port Moody.

Mr. Payne: Mr. Chairman, I wish to say a few words in connection with this matter of grain storage and the facilities for their shipment from the port of Vancouver. I was rather surprised that this discussion arose at this time rather than under the estimates of the national harbours board, but as you have allowed a discussion on this matter perhaps it would be fitting that I should say a few words at this time.

I wish to only partially endorse the remarks of the hon. member for Burnaby-Coquitlam. I say "only partially" because the hon. member has taken a situation and is trying to build it up for his own advantage and political use in the future, rather than facing the facts. The facts are that the present Minister of Agriculture and the Minister of Trade and Commerce, by virtue of an aggressive, positive approach to Asian markets, have today brought into sharp focus the need for additional facilities for grain storage and shipping which would not be apparent had not the government, the Minister of Agriculture and the Minister of Trade and Commerce created, developed and encouraged these markets.

Having said a few words of appreciation of those who most deserve it, I do wish to endorse the remarks of the hon. member for Burnaby-Coquitlam in bringing forward the need for a general improvement and increase of grain storage facilities, not only in the port of Vancouver but in other logical situations on the lower mainland of British Columbia.

It is perhaps an odd thing for a member for Coast-Capilano to speak on the agriculture estimates. I can, I think, say that few members which have rural areas have less to do with agriculture directly than I have in my riding. However, when it comes to the question of the port of Vancouver and other outlets on the lower mainland of British Columbia, these are our affairs. I should like to urge upon the minister that consideration be given not only to the establishment of further terminal elevator facilities in the area of the port of Vancouver, but also to the establishment of such facilities in the area of Squamish at the upper end of Howe sound to serve the vast output of grain which now has to pass through the port of Vancouver via the Pacific Great Eastern railroad and on a very detrimental basis to the farmers of the Peace river bloc due to the switching and bridge charges which are incurred at the present time in the area of Burrard inlet and within the jurisdictional area of the port of Vancouver.

I should like to again thank the Minister of Agriculture for his wisdom and courage in drawing together the shipping fraternity of the west coast, representatives of agricultural groups and businessmen generally of the lower mainland of British Columbia. We who live around the port of Vancouver take great pride in that very important facility. We feel that as a national harbour it represents a national trust. We feel strongly that we have a responsibility to the farmers of the whole of western Canada to see that adequate storage and loading facilities are available at all times.

The Minister of Agriculture has certainly performed a great service not only to the port of Vancouver but to grain shippers throughout western Canada in bringing into being the committee which is now studying this matter. I think perhaps the hon. member for Burnaby-Coquitlam was a little in error in his remarks as I do not think the minister called directly on private enterprise to build terminal grain facilities. The practice in most ports of Canada for many years has been that the national harbours board constructs the facilities. These facilities are in turn leased on a long term basis to the line elevator companies and the various pool and marketing organizations which handle grain in bulk.

I hope and trust that the committee which is now studying terminal grain facility requirements on the west coast will come forward with basic, sound and positive recommendations. This would certainly marry in with the current study, which I believe has been reported to the Minister of Transport, on the development of port facilities in the general area of Burrard inlet.

In concluding my remarks I should like to again point out the great advantage which would be gained by the grain shippers in the Peace river bloc through the establishment of terminal facilities at the head of Howe sound along the Pacific Great Eastern railroad, thus relieving these grain growers of the inordinately high switching charges they now face in moving grain from Squamish to the port of Vancouver and around its complete perimeter.

Mr. Argue: Mr. Chairman, the question that has been raised by the hon. member for Burnaby-Coquitlam, which is now receiving some support from the hon. member for Coast-Capilano—

Mr. Payne: I have put forward this suggestion for three years.

Mr. Argue: It is an exceedingly important one and action should be taken immediately to deal with it. For many years we have been told by government spokesmen that the reason farm markets have been low or inadequate was because of the lack of overseas markets, that nothing could be done about this or, alternatively, that the government was doing everything possible to achieve larger sales abroad. The fact of the matter is that markets can be obtained, but shipping facilities, storage facilities and harbour facilities are inadequate. I think that in addition to the minister's trip to Vancouver and British Columbia, for which we thank

him—we are pleased he made it—he should see that definite action is taken to increase storage and handling facilities.

The hon. member for Coast-Capilano says it is worth while raising the subject but that this is not the item on which to discuss it. I am not particularly concerned about the procedural wrangle. I think this is a proper place to discuss this matter because in my judgment storage facilities and terminal facilities would be forthcoming if there were a well-established policy on the part of the board of grain commissioners to license such additional storage.

I think the government of Canada has the funds necessary to provide additional terminal facilities at Vancouver and Prince Rupert as well as to improve the facilities along the St. Lawrence. The St. Lawrence seaway needs a lot of improvement; it has been a fairly drastic failure as far as the achievement of the forecasts made for it are concerned. The government surely has money for this job. But I tell the Minister of Agriculture that if the government is short of money all it needs to do is to make an announcement that additional terminal facilities are required, that the board of grain commissioners is prepared to license them, that markets are improving in respect of sales going through the Pacific ports, and then the producers themselves would put up the money. The grain producers on the prairies have already built the major facilities in the west. The Alberta wheat pool, the Saskatchewan wheat pool, the Manitoba wheat pool and the united grain growers have already done most of this job and if there is a question of a shortage of facilities, as the minister claims there is, and as other hon. members have stated to be the case, if the government does not wish to take the initiative and if the deficit is so great that no more money can be found, then give the grain producers and their organizations a chance and they will build the facilities so that these important markets for Canadian grain may be obtained.

On this item I should like to ask the minister whether there is any possibility of a change of policy on his part and on the part of the board of grain commissioners with regard to the licensing of off-site storage. Five or six years ago the late Right Hon. C. D. Howe together with the board of grain commissioners decided to license certain off-site storage which was not in the hands of the elevator companies. This storage was often owned by community organizations which had storage facilities built in the form of quonset huts, the type of building which could be converted into a skating rink, a curling rink or a community centre, if, some day, it was no longer needed for storage purposes.

Those of us in this group supported that policy. We pointed out that as long as the farmers had to pay the storage and as long as the people of Canada had to pay the storage to a substantial degree through the federal treasury it was far better to bring into being community facilities which would assist communities than to line the already gold-plated pockets of the elevator companies of this country. Nothing, to my mind, is as nauseating and repugnant as to hear private grain companies extol the private enterprise system knowing full well that under the present congested conditions there is little competition and that all they have to do is sit at ease, cash the storage cheques and make a very lucrative profit without having to show initiative in obtaining purchases of grain in a competitive situation.

Mr. Payne: Would the hon. member permit a question? I was wondering whether the hon. member for Assiniboia would like to tell the committee how many elevator installations on the west coast and elsewhere in Canada have been built by these co-operative bodies and how many have been built by the people of Canada to be handed over on lease by the national harbours board to be operated by co-operatives or grain companies.

Mr. Argue: The minister can answer that question. He has his experts in front of him.

Mr. Payne: You don't know whether your statements are correct.

Mr. Argue: I happen to be a member of a number of these organizations and I happen to know that they own facilities, and that I, along with tens of thousands of other producers, own them; and we in the Saskatchewan wheat pool, which is the largest producer owned grain marketing organization in the world, are prepared to build more facilities if the government of which the hon. member is such a proud supporter is not able to do so. But the hon. member can do no better than to interrupt from his seat. My friend the hon. member for Burnaby-Coquitlam suggested that at Vancouver the Alberta wheat pool has built one terminal; there are two public terminals, and one of those is leased.

Mr. Payne: That one is the only one.

Mr. Argue: I thought the hon. member was in favour of increased facilities.

Mr. Payne: I am.

Mr. Argue: Then, when I start telling him how the increase can be brought about all he can do is to condemn the suggestions.

Mr. Payne: The co-operatives are doing a very poor job.

Mr. Argue: On the contrary the farm organizations are doing a tremendous job. They are the only people who are doing the job and they will not look very kindly on the hon. member or on any of his friends who are associated with him when he sets himself up to criticize the farm organizations after they have done such a marvellous job in this field. The complaint he has made is that the government has not done enough. Now he complains when we say that if the government wants to sit on its fanny the farmers themselves are prepared to do something if they are told it is the policy of the board of grain commissioners and the government to license these facilities and if the statement is made that those facilities are needed and will be used.

I was talking about off-site storage facilities on the prairies and I was expressing the hope that the government would revert to a policy which I think was an excellent one, worthy of being implemented again. In the provinces of Saskatchewan and Manitoba there is a great need for storage facilities at this time and I suggest to the minister that the board of grain commissioners should license such off-site storage immediately. I think the farmers of Manitoba should make a loud protest at the great discrimination which is being shown them under the present marketing system as far as their marketings are concerned. I am wondering whether the inability or the refusal of the government to take steps to give the farmers of Manitoba anywhere near the kind of marketing shake which is being received by the farmers of Alberta is because large parts of Manitoba are a deficit grain producing area and the government wants to keep the grain producers of Manitoba in the clutches of the feed mills where they now rest. I suggest that in Manitoba there is a need for off-site storage so that farmers can get out a larger quantity of grain.

In Manitoba as of April 3, 131 marketing points were on a one-bushel quota. Manitoba's crop year is two-thirds over, and out of the prospects of marketing—I would hope at least seven bushels—they have only one bushel marketed. The minister says everything is fine and the government is taking every possible step to market the farmers' grain but the Manitoba farmers are getting a dirty deal. They have 149 marketing points with a two-bushel quota.

When considering Saskatchewan's marketing position we find that the picture is a little brighter but not much. It is still dark and gloomy. I would like to have the maps that are in the possession of the minister showing the quotas at the various marketing points. I would venture to guess that the farmers in his constituency are among the worst off in his regard. I would venture to guess that the farmers in my own riding have received the same kind of shabby treatment as those farmers in the minister's riding. Out of a total of 1,077 marketing points in Saskatchewan no less than 499, as of April 3, were on a two-bushel quota. I know from practical experience that all of the two-bushel quota has been delivered, or the points would be increased. The majority of farmers in Saskatchewan, according to the statistics, have not had the opportunity of selling to date even a full two-bushel quota. I think this is a horrible situation. I think that in this situation the board of grain commissioners and the government should consider emergency action which would allow the farmers in Manitoba and Saskatchewan, and wherever else discrimination may exist, as in Alberta —there the picture is much brighter—to get the same kind of treatment as the farmers receive in more favourable positions.

We heard last fall about the terrible grain handlers' strike in Vancouver. The minister's main comment in this regard was, why doesn't Hazen Argue settle it? The minister did not do much to settle it. It is a very strange thing that although this strike—it was a very serious thing which I hope will not happen again—took place at Vancouver, the Alberta farmers were far better off than Manitoba farmers where there was no interference in marketing grain to the east. I do not think there can be any co-relation between a strike and the movement of grain. I cannot see any connection at all, and this would almost prove that the Manitoba farmers should have been doing the same thing to get themselves in the horrible position of the Alberta farmers who have done so well relatively in the marketing of their grain.

I would make the suggestion that off-site storage should once again be considered and provided. I am aware of a situation existing in a little village in Saskatchewan called Drinkwater. A few years ago the residents of Drinkwater built a quonset-type hut that serves as a rink and holds about 80,000 bushels of wheat. They had it licensed by the board of grain commissioners, and that is why it is in order for me to discuss it under this item. This community association, which owns the rink, receives storage payments. They have been doing well. That little

town is starting to build some community facilities. On Easter Monday night they had an opening function in the Drinkwater community hall which was built in part under the government winter works program. Let us give the government credit for that; $4,000 was provincial and federal government money representing work and wages. The rest of the cost was money derived from the late C. D. Howe's very short-lived program allowing off-site storage.

The people of Drinkwater own the quonset hut, which is full of wheat, and are receiving revenue from the storage of the wheat. The wheat remains in good condition and will not rot as a lot of wheat used to in the old annexes that the elevator companies owned. These people now have a community hall and are very proud of it. The next community facility they are going to build is a curling rink. They thought they were building a curling rink when they put up this quonset hut, of which I speak, but they promptly filled it with wheat. They are now going to build a curling rink to be paid for out of revenue from the storage of wheat in the quonset hut.

I would suggest that it is much better to give this revenue to similar community associations rather than to the famous Canadian grain company, the Patterson company. I do not think we need increase the profits to the Patterson Grain Company, the McCabe Elevator Company, the Federal Grain Company or the National Grain Company, or even to the Ogilvie Flour Mills Company, because the late C. D. Howe sold that a few years ago. I think it is far better that the profits from the storage of grain, wherever possible, should go to benefit the local community instead of going to line the pockets of the already well-heeled elevator companies in this country.

I suggest as well that this would be a very good program and is a necessary one at this time. It would be an emergency program—I would hope of a more than temporary nature—to deal with this very serious situation regarding grain delivery quotas. At the majority of points in western Canada even today the quotas are one and two bushels per acre. I suggest that the board of grain commissioners, carrying out a policy that I hope will be enunciated by the minister, will license local storage off-site in the villages and on farms. I do not see why the elevator companies should have all the storage while the farmer who has to store the grain receives nothing for doing so. I would suggest off-site storage should be allowed in villages and on farms up to a delivery quota of eight bushels per specified acre. If this were done the farmers throughout the prairie provinces would have the same opportunity of receiving revenue from grain storage and would not have to face the discrimination that flows from the geography of the prairie provinces and from the fact that some of the producers are fortunate enough to live near to Vancouver while some are unfortunate, in a marketing sense, in living closer to the great lakes' terminal facilities.

I would like to see the minister and the government take steps to increase the flow of grain not only through western ports but through eastern ports, and I suggest in all seriousness that the board of grain commissioners should consider off-site storage, to be owned by communities and by farmers, and that this off-site storage should be allowed up to a quota of eight bushels per acre.

Some years ago we had a very long and bitter debate in this house on the question of cash advances for farm stored grain. As I remember we were debating bank loans at the time, and the attitude of the C.C.F. group at that time was that the bank loan legislation was inadequate and should therefore be opposed. This was debated day after day for a week. We continued to oppose the bank loan legislation even though the then leader of the opposition, the Hon. George Drew, had said that it was better than nothing and that his party would vote for it. After the week of debate the official opposition of that day, the Progressive Conservative party, changed its position and joined us in opposing, condemning and voting against—you might even say filibustering, although that is a bad word—the bank loan legislation. We made the bank loan legislation so repugnant to Canadian farmers and generated such a demand for cash advances, interest-free, that this government, when it achieved office, had no alternative but to bring in that kind of legislation, for which we give it credit. I am suggesting that we must have a campaign for off-site storage providing a guaranteed delivery or sale, I suggest up to eight bushels per specified acre. The minister may say that this is too high, but the principle should be established that where marketing facilities have not been available for a standard quota agreed to and announced in advance, that facilities will be provided and licensed by the board of grain commissioners to provide for the sale of grain on this basis. The grain can be purchased in the farmer's bin. The grain elevator agent can go out and look at the bin, measure it, test the grain, dock it and estimate the number of bushels. He will be exceedingly accurate because the agents are used to this and they are able to do that kind of thing.

I suggest that, having licensed the facilities, the Canadian wheat board could issue a cash

ticket to the farmer for his grain up to the eight-bushel quota. This kind of legislation is necessary if the western grain producer is to get a fair deal. This must be part of the Magna Carta of the grain producers. I am suggesting that, under this item, the minister should tell us that the board of grain commissioners and the government are prepared to consider the licensing of off-site storage so that the farmers whom I represent will be able to deliver the good quality grain they have on their farms. I feel very strongly about this. I feel it is abhorrent that farmers in one part of the country should face financial hardship through no fault of their own because they are unable to deliver the good quality grain that they have on their farms owing to the inability of our grain handling and marketing facilities to take care of quotas on a more equitable and uniform basis.

No doubt the discussion of this item will take some time. I should like the minister to reply to this suggestion as soon as he can. In any event, before this item passes I hope the minister will be able to inform the committee that the government will once again consider off-site storage and will assure western producers of being able to market their current crop, or a minimum quantity of grain, and that quotas will be equalized in the three prairie provinces and in the Peace river bloc of British Columbia.

Mr. Baldwin: Will the hon. member permit a question? As I understand it, he is advocating a system whereby farmers would be paid storage on farm stored grain. I ask him this question not only as the hon. member for Assiniboia but as a member of the Saskatchewan wheat pool, which he said he was. Can he tell me whether this policy is one which meets with the approval of the wheat pools?

Mr. Argue: I am not certain that the wheat pool has made a statement on this matter in recent times; I am not certain whether the wheat pool has in fact advocated this policy. I have advocated it for many years. The farmers' unions have definitely advocated it for many years. If my hon. friend will take my assurance—he may not wish to—I assure him that if a vote were held among the wheat pool membership I would be very surprised if it did not get at least 99 per cent approval.

Mr. McIntosh: I would suggest that for the last 15 or 20 minutes the hon. member for Assiniboia has been off base, out of order and all wet in practically everything he said.

Mr. Argue: Discuss this with the farmers.

[Mr. Argue.]

Mr. McIntosh: That is fine; I will discuss it with the farmers. The hon. member has brought into the picture today, much against your wishes and your direction last night, sir, the questions of quotas, storage, cash advances and everything else, which have absolutely nothing to do with this item we are discussing today and which we as government members will not do. We refuse to take advantage of you, sir, in this way. I think last night the hon. member for Medicine Hat laid it squarely on the line in so far as the hon. member for Assiniboia is concerned. He produced the act and read out the duties and responsibilities of the board of grain commissioners, and it was well understood by the hon. member for Assiniboia what those duties were. But still he took advantage of you, Mr. Chairman, today, after the discussion last night, to make this all wet speech.

Generally speaking I think we can say that the board of grain commissioners is the agency responsible for the maintenance of quality standards for Canadian wheat and for ensuring that the interests of the farmers are protected in all aspects of grain handling. Not only is that their responsibility but one of the functions of the board is to see that the farmer gets a proper grade for his grain. I ask the minister what steps he has taken to refute the statement or to procure the evidence referred to by the national farm union in their brief on grain sales to feed mills. I hold in my hand a clipping from the Swift Current *Sun*, dated January 25, 1961. This is taken from the union brief. They say under the heading "Trading Regulations":

> There is "evidence that grading regulations and the protection which the farmer has known in the past through the board of grain commissioners is completely absent."

I believe the minister knows as well as I do, and as well as do the national farm union and the hon. member for Assiniboia, that the national farm union is deliberately misleading the farmers by such a statement, just as the hon. member for Assiniboia does time and time again. No change was made in the regulations of the board of grain commissioners at that time.

The officials of the national farm union know as well as I do that the farmer who wishes can at any time submit a sample of his grain to the commission independent of any elevator company, pool of anything else, and get a grade that is standard that will be accepted by any line company or any pool. This statement by an organization such as the national farm union, or by the leader of the C.C.F. group in this house has perturbed me time and time again because it

is an absolute falsehood and they know it. I wonder what the minister has done about such a statement?

Mr. Nasserden: Mr. Chairman, I do not think I have ever listened to a speech in this house that had a greater disregard for the facts than the one delivered by the leader of the C.C.F. today. I think he has been very unfair to the Minister of Agriculture, to those on the treasury benches and to the former minister of trade and commerce, all of whom have done a wonderful job in the marketing of the grain of the Canadian farmers.

Mr. Argue: Why has the hon. member always voted against the suggestion?

Mr. Nasserden: With regard to the matter of quotas in the province of Saskatchewan, I think the hon. member might have brought out different figures and put them on the record. I see by the figures of April 10 that 614 points are on three or four-bushel quotas as against 463 on two-bushel quotas. I believe he said that the majority of farmers were on two-bushel quotas.

Mr. Argue: That was on April 3.

Mr. Nasserden: It would appear to me that the statement was not factual.

Mr. Argue: On a point of order, I was quoting from the board of grain commissioners quota distribution of April 3. Perhaps my hon. friend has a later issue. He may have improved facilities, as the bureau of statistics sometimes has, but these are the latest statistics that have come to my attention.

Mr. Nasserden: I am quoting from the same statement that the hon. member quoted from except that mine is dated April 10.

Mr. Argue: May I ask the hon. member what he is quoting from? His pages are in colours different from mine. Maybe it is the same statement; maybe it is the minister's statement.

Mr. Nasserden: It is the Canadian wheat board statement on the distribution.

Mr. Argue: I think the hon. member has the minister's private statement.

Mr. Nasserden: I do not intend to enter into a criss-cross discussion with the hon. member for Assiniboia, but I should like to say that the board of grain commissioners for Canada have done a wonderful job over the period of years. They have been instrumental in building Canadian grades to a standard which has made it possible for the Department of Trade and Commerce and the Canadian wheat board to take our grain into any market in the world with the knowledge that our grades will be accepted. When we consider the conditions that prevailed last fall, we must realize that there was a great quantity of damp and wet grain in western Canada. We must realize, too, the importance of maintaining the quality of our product in world markets. Under those circumstances, we were able to move more grain than anyone in the House of Commons expected at that particular time, and more grain than had been moved by the former administration under similar circumstances. This was accomplished with a minimum of discomfort to the average farmer on the prairies.

It is all very well for the hon. member for Assiniboia to get up today and point to a situation under which the producers in Alberta are in a little better position than those in Manitoba and Saskatchewan. This situation really means that the sales policy of this government has resulted in moving a greater quantity of grain to the markets of Asia than had been moved heretofore. In this connection, I should like to pay tribute to the Minister of Agriculture as well as the former minister of trade and commerce.

When we come to the matter of facilities out on the Pacific coast, I should like to say that facilities cost money, whether they are located on the Pacific coast, on the prairies, at Fort William or the port of Churchill. Every cent that goes into those facilities ultimately comes out of the pockets of the farmers of western Canada. This government, from the very beginning, has sought to move grain and to utilize the facilities that are in existence. This has been one of the objectives toward which farmers and farm organizations have worked over a long period of years. I could quote statements by such men as the president of the farmers' union of Saskatchewan and other leaders of farm organizations which point to the need to move grain rather than to store it in off-site storage as the hon. member for Assiniboia has advocated.

Mr. Argue: I just want the farmers to be paid, that is all.

Mr. Nasserden: Off-site storage has proved to be one of the costliest items to the farmers of western Canada.

The other matter to which I should like to refer is the opening of navigation at the head of the lakes. I understand this will take place in a couple of weeks, and freight cars have been ordered to western Canada so that the movement of grain from Saskatchewan and Manitoba will soon begin.

In so far as the storage of grain on farms is concerned, I do not believe I can recall the Saskatchewan wheat pool ever going on

record as being in favour of paying farmers for grain stored on their farms. The cost of this procedure would have to come out of the final payment made to these farm people. I was surprised to hear the hon. member for Assiniboia taking that particular line.

Mr. Argue: Half of it comes out of the national treasury, did you know that?

Mr. Nasserden: When we look at the overall situation and what has been accomplished during the last three years, I think it can be said that this government has done more to expedite the movement of grain than was done at any time before. The markets that have been captured in Asia and in other places in the world have been simply wonderful, and this has given great encouragement to the western wheat producers.

I should like to make a few comments about the feed mill situation if I may. This situation was mentioned briefly yesterday and has been mentioned a number of times during the debate on the agriculture estimates by those in opposition. A statement has been made that, on some occasions, grain was selling for 50 cents a bushel less than it used to be sold before our legislation was introduced. This statement is not factual. Everyone in western Canada knows that grain moved at these prices and lower before the legislation was introduced. The result of this legislation has been to bring before the public the price paid for grain moving to the feed mills.

I do not pretend that I am satisfied with every aspect of this policy. Perhaps there are dangers in it that may show up as time goes by. I am satisfied, though, that when the Prime Minister of this country gives his assurance that the marketing system of the Canadian wheat board would be protected and when the Minister of Agriculture backs up that assertion, even the hon. members of the opposition should be prepared to accept that statement.

Mr. Peters: We are not all that innocent.

Mr. Argue: It is just another one of John's promises. They do not mean a thing.

Mr. Nasserden: On this occasion—

Mr. Spencer: I rise on a point of order, Mr. Chairman. While the hon. member for Assiniboia had the floor he complained about hon. members speaking from their seats. I should like to hear what the hon. member who now has the floor has to say, and I cannot do that if the hon. member for Assiniboia is constantly interrupting from his seat.

Mr. Nasserden: I was just about to conclude, Mr. Chairman. I should like to say that when the vote was taken on the point of order last night I could not object because the hon. member for Assiniboia has taken every opportunity to say anything he would have to say about the movement of grain. He was merely repeating what he had said, and much of that was not in the best interests of those engaged in the agriculture industry.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I find myself in a very dubious position in view of the fact that yesterday there was a procedural ruling by the Chair that discussion should be on the vote before the committee. I do not believe there are many hon. members in the committee or many people out across the country who will be very proud of what has taken place in the committee last evening and again today.

Mr. Peters: You are just holding up your estimates.

Mr. Hamilton (Qu'Appelle): The vote of the majority of the house confirmed the ruling of the chairman that he had to enforce the rules laid down in standing orders. I feel it is a very serious situation, therefore, when a member of the house, who has been here for many years, takes advantage of the fact that the board of grain commissioners does publish statistics on the grain trade in order to reintroduce each one of the subjects he wished to discuss under the wheat board item.

Mr. Argue: I rise on a point of order, Mr. Chairman.

Mr. Cardiff: You should listen once in a while and not talk so much, then you will know more.

Mr. Argue: The hon. member knows so little that it is obvious why he does not talk very much.

The minister has made a reflection on the decision of the house last night, Mr. Chairman, and has said it was inappropriate for me to quote from the statistics issued by the board of grain commissioners. I would suggest that the point of order that was raised last night was settled last night. I would suggest that Your Honour allowed me to make my remarks this afternoon and there was no suggestion from any hon. member that I was out of order nor was there any suggestion from the Chair that I was out of order.

I therefore suggest that the Minister of Agriculture has no right to pretend that the remarks I made some time ago this afternoon were out of order and thereby to reflect on the conduct of the chairman himself during the time I was making my speech. I suggest that I was very much in order, that the chairman allowed me to make my remarks and that the

minister himself now is casting a serious reflection not only on me but on the chairman and the chairman's conduct of the procedure of this committee. He has no right to reflect on something that took place some time ago in this chamber.

The Chairman: Order. I must say that the hon. member cannot interpret the words of the minister as being a reflection on the Chair. I think the minister is entitled to discuss the conduct of the hon. member from Assiniboia.

Mr. Argue: No, he is not.

The Chairman: Certainly he can comment on the method of speaking of the hon. member from Assiniboia. I may say in passing that the Chair cannot expect to have the rules applied correctly if there is no co-operation from the members of the committee.

Mr. Hamilton (Qu'Appelle): Thank you very much, Mr. Chairman, because I want to complete what I have to say. I am not as experienced a member of the House of Commons as is the hon. member for Assiniboia. I simply said this afternoon that he took advantage of his experience by relating every second paragraph to the words "board of grain commissioners" in order to discuss everything but the board of grain commissioners and thereby he was able to get under the ruling of the Chair last night, namely that we could discuss only the board of grain commissioners.

I want to say that I do not intend to answer any of these questions or statements dealing with the Canadian wheat board or any of the subjects related to the Canadian wheat board. This is the ninth day on which I have had my estimates before the committee. I had seven days on item No. 1. The hon. member for Assiniboia spoke on item No. 1. He referred to the wheat board. He referred to all of these matters. Then he came into the chamber last night and asked for special permission to go back, in effect, to item No. 1. The house made its ruling after a very unpleasant debate. I want to abide by that ruling. However, there are certain things I have to say to the hon. member for Assiniboia. I will leave those to the end of my remarks and they will not be pleasant to hear.

Some questions that he asked have a bearing on the board of grain commissioners. First of all he asked a question about the storage capacity and he made quite a point about the visible supply going up and asked whether the wheat board was plugging up the elevators. I am not going to go into all the storage capacity that has been built at the head of the lakes, the new storage capacity at Baie Comeau or the building of increased storage both on the west coast and in the St. Lawrence area. However, I would suggest that if the hon. member would read the statement I have made on storage construction, he will easily see why we have a greater visible supply this year than we had last year.

The hon. member also asked the question whether the board of grain commissioners had any control or direction over the allocation of box cars. He must know that this is not so. He brought in this reference to the ex-chairman of the board of grain commissioners who was at one time appointed as transport controller. When he was transport controller he had some say in the allocation of box cars. Since that time, however, there has been a royal commission on this subject which issued its report. If the hon. member will refresh his memory and go back to two years ago on July 18 in *Hansard* he will find that the previous minister of trade and commerce outlined that royal commission report and gave the directions in the form of a letter to the chief of the Canadian wheat board as to the allocation of box cars. If he reads it through he will find that the first instruction was that primary consideration must be given to the movement of the kinds of grain and the grades of grain required to meet sales commitments and to facilitate their selling operations. Then it goes on as follows:

> (2) Subject to (1) above and as far as current circumstances and reasonable equality in delivery opportunity permits, it should be your objective to provide:
>
> (a) that producers should have the opportunity of delivering their grain to the elevator or elevators which they wish to patronize; and
>
> (b) that elevator companies which act as your agents should have reasonable opportunity of competing with one another in the handling of producers' grain.

In effect, Mr. Chairman, the allocation of box cars today is done primarily by the Canadian wheat board to the elevator company in proportion to their getting grain from the producers and then the elevator company—that is the pools and the private grain trade—allocate their elevators to their own elevators as they wish.

Another point raised by the hon. member today—or rather it was yesterday—had to do with the number of overages and grain complaints. This is a legitimate question to ask under this item. If the hon. member will look up the reports of the board of grain commissioners for Canada for the year 1960 at page 10 he will find the number of complaints through the year. The complaint points total 11 as compared with 19 in the previous year. It tells what happened to those complaints. Then under the heading

of "Prosecutions", it gives the story of prosecutions. Then there is the heading "Shortages and Overages" and you have the elevator given in the detail and what was done. I think that answer can be found by the ordinary process of opening up the report and reading page 10.

Mr. Argue: When was the report tabled?

Mr. Hamilton (Qu'Appelle): Yesterday.

Mr. Argue: It was not delivered to my office. I guess they had no copies.

An hon. Member: Can you not read?

Mr. Argue: I sent to the library and I could not find any.

Mr. Pigeon: I rise on a point of order, Mr. Chairman. The hon. member does not stand up.

Mr. Hamilton (Qu'Appelle): I said earlier, Mr. Chairman, that I would answer only those things that I think legitimately come under this item. However, I have one thing that I must say and it is this. With agriculture in the position that it is in today and with the efforts that have to be made by governments at all levels, and by organizations and individuals to help agriculture move up in the economic scheme of things, it ill behooves us here in the House of Commons to try to destroy some of the things which are good and which we all support. Yet we have this situation developing here.

I think everyone here knows what I am referring to. Yesterday, one of the hon. members from this side of the chamber, speaking out of order, raised a question and it was not dealt with at that time. I am referring of course, to the feed mill issue. I knew how deeply our western Conservatives felt about this issue because it was dealt with in the standing committee on agriculture and colonization last year. The recommendation was unanimous that we should try out for a year more flexible methods of handling feed grain.

Mr. Argue: By those members who were there.

An hon. Member: Why were you not there?

Mr. Argue: I had other engagements.

Mr. Brunsden: On a point of order, Mr. Chairman, may I ask whether we must continually be subjected to this procedure of the hon. member speaking from his seat? The dignity of parliament should be preserved.

The Chairman: The Minister of Agriculture has the floor.

Mr. Hamilton (Qu'Appelle): These interruptions make it easier for me to say what I am going to say. I am going to give some advice to the hon. member for Assiniboia. I have done it previously but he did not listen. I am going to give him some advice again. Over the years there has been a great deal of debate in western Canada as to what should be done about agriculture, and one of the loudest spokesmen on behalf of his own opinions was the hon. member for Assiniboia. As he went up and down the country, we did not take him too seriously because to us he was just one of Peck's bad boys. Now he has been in the house for a considerable number of years and he is like a boy who has never grown up. No longer is he just Peck's bad boy. It looks very much as though he has become the "ass" in Assiniboia. In fact, after the type of thing we saw here last night I am going to be very blunt. The hon. member is trying to move up from the league of being Peck's bad boy and from the "ass" in Assiniboia to one of Hoffa's little hoodlums. We have seen this disrupting type of activity in some of the labour meetings across this country. It means that many of the ordinary labour people hope that this type of person does not have any say in running our country in the future.

In the hon. member's battle with the premier of Saskatchewan for the leadership of this new party, one of the reasons why the backroom boys of the labour party—

The Chairman: Order. I am afraid the minister is now going a little outside the subject before the committee.

Mr. Argue: Let him go on.

Mr. Peters: Why does he not answer the questions he is supposed to answer?

Mr. Argue: Mr. Chairman, I think the minister should be allowed to expose the attitude which he takes. After all, I have been here a lot longer than the minister. I think my conduct in the house has been in keeping with the rules. I have not had to heap personal abuse on cabinet ministers in order to make my points. I shall have an opportunity to take this scurrilous attack upon me to the electors of the Assiniboia constituency, which the minister has slurred by his sly remarks.

Of course, the minister has no answer to the proposition I have made, that he should provide payments to farmers on an eight bushel quota. Instead he uses this well-known McCarthy tactic. He uses the Senator McCarthy tactic which was developed so well in the United States, of smear when you have no argument.

I say that this smearing, ill-founded attack upon me by the minister is very ill becoming. I am certain it will not be considered in good taste by the minister's colleagues. It

is beneath the dignity of parliament and the dignity of the minister. But I say to him that the people he represents and the people I represent can give the answer to these kind of McCarthy tactics that have been dragged into this chamber by a minister of the crown.

Mr. Chairman, to get back to some of the remarks that I have been making, which I think the grain producers of the west will support—and I am prepared to meet the Minister of Agriculture on any public platform in western Canada—

An hon. Member: Meet him right here.

Mr. Argue: I am meeting him right here. The chairman had to call the minister to order and set him back on his haunches because the chairman knew these smearing tactics were out of order. But I challenge the Minister of Agriculture to meet me on a public platform anywhere in western Canada and to repeat the McCarthy tactics he has been using in this committee. I think I licked him well in public debate on one former occasion, and I would take a chance on doing it again. He can defend his policy if he will, and he can defend these kind of tactics if he will. The hon. member for Rosthern—

Mr. Hamilton (Qu'Appelle): Mr. Chairman, you have ruled me out of order in making any personal remarks about the hon. member, and he is now doing the same thing to me. I wonder whether I could ask for the same ruling to apply to the hon. member.

The Chairman: I think it is about time we came back to the item under discussion. I trust that from now on the comments will be more relevant.

Mr. Argue: I will abide by the request of the Minister of Agriculture, who has now come very subtly to the Chair crying for protection because he cannot take the same kind of attack as he carried on against me.

The Chairman: Order. Will the hon. member please co-operate with the Chair. I have just indicated to the hon. member that the Chair expects hon. members to be relevant in their remarks under this item.

Mr. Argue: Mr. Chairman, I was dealing with the remarks of the hon. member for Rosthern, who has shown himself on occasion in this house—

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I rise again because I held the floor but was interrupted on a point of order. Does that mean I lose the floor?

The Chairman: I thought the hon. minister had yielded the floor at that point.

Mr. Argue: So did I.

The Chairman: If the minister wishes to continue his remarks I think I should recognize him. I thought he had completed his remarks.

Mr. Argue: I took the floor because I thought the Minister of Agriculture had concluded his remarks. However, if you, Mr. Chairman, rule that the minister has the floor I will of course abide by your ruling; but the minister fell back—

The Chairman: Order. If the minister yielded the floor because he was under the impression that the hon. member for Assiniboia was rising on a point of order, I think it would be only fair to give the floor again to the minister in order that he may complete his remarks. I think that procedure would be most orderly.

Mr. Hamilton (Qu'Appelle): Thank you very much, Mr. Chairman. It is very difficult for one with just an ordinary voice to compete. I will abide by your ruling and stay on the question of the board of grain commissioners.

The board of grain commissioners has been brought under the Department of Agriculture because it is so closely associated with the handling of grain in western Canada. When the Canadian wheat board was put under the Department of Agriculture it was done for the good, solid reason of trying to put under the Department of Agriculture not only the scientific and production efforts of the government but also the marketing efforts of the government concerned with grain.

The board of grain commissioners is part of the marketing efforts of the government. It is the board's responsibility to maintain, not only the standards of grain sold at every grade but also the standards of handling the grain in the elevator and to see that the farmer's interests are protected in connection with the grading of wheat and every other type of grain operation in the country elevator system.

The reputation of the board of grain commissioners has developed over the years so that today we can go into any market in the world and say we have certain grades to sell and that grade will be accepted as the standard that will be delivered.

This problem of maintaining the standard is not easily held. The question of grading grain is something that has to be seen in order to be understood. I should like to invite every hon. member of the committee, from all parties, to make an effort some time this year to visit the operations of the board of grain commissioners in Winnipeg and see the methods they use in arriving at and maintaining grades at a constant level.

This would enable the rural members particularly to explain to their constituents not

only the protection which is afforded by maintaining these standards but also the high level of excellence which Canadian wheat has reached and which enables the Canadian wheat board to sell it abroad.

The second point I wish to make is that the board of grain commissioners have an important function in the movement of grain out of the country. When I looked into the situation concerning the movement of grain out of west coast ports I found that one of the important operations that went on there was the grading of grain as it went into the ships. I was told we could not increase the movement of grain through the terminal elevators into the ships because the board of grain commissioners had to carry out a certain amount of grading in connection with every bushel put into these ships.

We discussed this matter with the board of grain commissioners and worked out a system whereby if they wanted to load at night or after dark, certain types of daylight lamps could be used in order to maintain the very high standards necessary to guarantee the calibre of our grain to any of our customers. I am glad to have this opportunity to point out this one technical aspect of the work of the board of grain commissioners.

I cannot answer the question of the hon. member for Swift Current-Maple Creek. I have read the criticism of the national farmers' union, but I cannot answer the hon. member's question because to date I have done nothing to challenge this statement. I have made inquiries about it. Naturally, no evidence has been submitted to me. I have not seen any evidence in this regard, and I should like to say at this time that if that evidence is submitted to me, and what the hon. member said is correct, I will be glad to look into this matter personally and see that something is done about it. If there is not, I would expect some sort of remedial action on the part of those who made the criticism.

Mr. McIntosh: There cannot be any evidence. That is the point I was trying to make.

Mr. Peters: I am surprised at what the minister had to say but after a while we shall probably lose that sense of surprise and be accustomed to what we hear. I have a comment to make on a matter which was raised earlier. I may be out of order, but the minister has commented on it. I have a statement here by the national farmers' union in which they made a presentation to the Canadian wheat board dated February 1, 1961 and in this document they point out that the feed mill price as compared with the wheat board—

[Mr. Hamilton (Qu'Appelle).]

Mr. Jorgenson: The hon. member says this was a presentation to the Canadian wheat board. Surely it must be obvious even to him that this is a matter which comes under wheat board jurisdiction.

Mr. Argue: On the point of order it has been said this afternoon I have stated in the past that the feed mill price was 50 cents less than the wheat board's price. This is in answer to an accusation which was made in the committee this afternoon.

Mr. Jorgenson: The hon. member knew full well he was out of order, too.

Mr. Argue: We did not make the statement. It was one of your Tory members.

Mr. McIntosh: On the point of order, the only part of the brief I wished to deal with was that in which reference was made to the grain commission. The statement is made in that brief that it had disrupted the grading of grain at the feed mills. I, too, should like to have got into the discussion about the wheat board in the same way as did the hon. member for Assiniboia, but in this particular case I bowed to your ruling, Mr. Chairman, and referred only to the board of grain commissioners and the charge by the national farmers' union that it had disrupted the grading of grain. That is absolutely ridiculous. It had nothing to do with the grading of grain and they know it and so does the hon. member for Assiniboia.

The Chairman: I must say to the hon. member for Timiskaming that if the part he wants to quote from the document he has does not refer to the board of grain commissioners he will be out of order even though his remarks were intended to be in reply to another hon. member, if the other member was out of order. The hon. member for Timiskaming knows very well that many remarks made this afternoon have been out of order. That is no reason, as I indicated last night, to continue to discuss points which are not relevant.

Mr. Peters: I am not as familiar with the activities of the wheat board and the board of grain commissioners as are some other members.

Mr. Jorgenson: That does not stop you from talking about them.

Mr. Peters: I told some of these self-styled agricultural experts yesterday that I saw very few real experts here, and I have not

changed my mind since. Certainly the minister has not given me any reason to change my mind or even to think that he is being advised by experts in this field.

In checking over the publications of the grain commissioners I find there is little with which they do not deal. There are two or three pages of items here and I imagine I could cover almost anything. The subjects cover grain supplies, the crop year, the disposition of marketings, country elevator shipments, terminal handling, eastern elevators, exports, domestic use, licensing and so on. There are a couple of pages of them. We are sometimes out of order, but it seems to me that the field is so wide and that the grain commissioners have done so little, or become so badly confused with the wheat board over the years that there is some similarity between the fields that are to be discussed. If we refer only to the publications we can relate them in that manner, if we wish. I only wanted to draw attention to the correction because I, probably, was the one who raised it a number of weeks ago. I am the one who incorporated the statement that the difference was 50 cents and now that we have the brief I think it can go on to the record.

I wish now to raise another matter and ask the minister why it is that the bread we have in Canada is so poor when we have available to us the best wheat in the world?

Some hon. Members: Oh, oh.

Mr. Peters: Oh, this does come under the grain commissioners. I have a whole sheet of documents produced by the board of grain commissioners published in October, 1960, in particular a booklet entitled "Canadian Wheat". It discusses just the subject I have raised. There are several things I should like to ask the minister and one of them refers to descriptions of wheat. Here they equate Canadian wheat with weak wheat and I am curious to know what weak wheat is and what is the relationship between Canadian wheat and weak wheat.

An hon. Member: You have a weak mind.

Mr. Peters: I am speaking to a number of people with weak minds and perhaps I shall have to hammer in what I am saying with a tack. The kind of wheat moved for the domestic production of bread presents a growing problem. Everyone knows that we have on the shelves of our stores two or three grades of bread, one kind of bread being produced at a fairly low price in competition with bread of a better grade. Then there is a third type of bread—

The Chairman: Order. The hon. member has indicated that we have the best grain here in Canada so there cannot be any responsibility placed on the board of grain commissioners with regard to the quality of the bread.

Mr. Peters: In my submission that is not altogether true because they refer in this particular bulletin put out by the board of grain commissioners to flour quality and to dough properties. They describe the tests to which the commissioners have subjected the bread, and the grading of the flour used in making bread, and they reached the conclusion that the scales to be used for the measurement of quality should be as follows: No. 1—I am reading from the document—

Some hon. Members: Order.

The Chairman: I must tell the hon. member again that I feel his remarks are out of order even if the document from which he is quoting has been published by the grain commissioners. That is no reason why everything in that book should be relevant. The only matters which are relevant are those which come under the jurisdiction of the board as indicated in section 9 of the Canada Grain Act. Were it otherwise, the hon. member will realize, he could go anywhere by discussing any word printed in the report of the commission.

Mr. Hamilton (Qu'Appelle): Could I help the hon. member by suggesting that on this subject I agree with him. I love good bread. But, actually, the responsibility for the quality of bread lies with the Department of Health and Welfare, not the board of grain commissioners.

The other question the hon. member asked is in order. He asked what is weak wheat. I believe it is low protein wheat.

Mr. Peters: I submit that the question of the quality of bread does relate directly to the domestic production of wheat. Certainly, the board of grain commissioners has set up standards for grain. They have graded it No. 1, No. 2, No. 3, No. 4 and so on, for the domestic production of bread and it is my opinion that if they take the trouble to send out these bulletins regarding the methods of their inspection they must have given some consideration to this matter. I am not referring to the fact that bread being produced in some of the commercial establishments might contain formaldehyde to keep it from going stale. This would of course come under the health department. I am referring to the fact that it may be a result of the method of our domestic grain production, and I would humbly submit that I am in order in discussing that to this extent.

The Chairman: I have indicated my view and I do not feel that I should change it. The hon. gentleman has changed his attitude in suggesting that it may be because the grade of grain is not as good as he thought before.

Mr. Peters: I would not like to leave that as the conclusion. I have not as yet ascertained why the bread is not as good as it is supposed to be.

I would like to refer to another matter which concerns the people in my area and has been controversial for some time. I refer to the matter of screenings and this, of course, comes within the jurisdiction of the board of grain commissioners. Regulation No. 7 of that board gives the grades of screenings and indicates the composition of screenings. This regulation indicates that screenings must contain over 3 per cent and up to 5 per cent dust, chaff and wheat seeds. The complaint I have received is that individuals purchasing screenings for feed find that the major part of the cereal contained in the screenings is not dust or wheat but is buckwheat. There is a further regulation limiting the amount of buckwheat that screenings can contain in order to be in that classification. I wonder if the grading of these screenings can be made more effective or if there is a factual inspection taking place by the grain commissioners in the field in which they have control before they reach the feed companies who sell to the farmer. I would like to ask the minister if the screenings are inspected by the grain commissioner after they leave the jurisdiction of the pool elevators or grain companies. I would suggest that if the screenings are purchased in bulk the responsibility for the grade stamped on the bags would be that of the department, but in many instances would be some distance removed from the active control of the grain commissioner.

Mr. Hamilton (Qu'Appelle): In answer to the hon. member's question I might say that under the regulations it is very clear what the percentages in the mixture can be, but so far as the board of grain commissioners is concerned, it is merely responsible for guaranteeing that the grade stamped on the sack is the same as that which is contained inside. I might say that if screenings are misrepresented we can take action under the Feeding Stuffs Act but, as I have said, the board of grain commisioners, under its regulations, is only responsible for guaranteeing that the screenings are actually as stamped on the sack.

Item agreed to.

[Mr. Peters.]

32. Construction or acquisition of buildings, works, land and equipment, $3,000.

Mr. Argue: I am not certain that I am in order in respect of what I am going to say but I would like the minister to comment regarding this item. I understand this item has reference to the proposal to build an agricultural administration building situated at the experimental farm. There has been a good deal of discussion in the house regarding the government's policy in respect of construction of buildings on the experimental farm and I think it has been accepted—at least it was by the minister's predecessor and by former ministers of the Department of Agriculture, particularly the Right Hon. J. G. Gardiner—that the central experimental farm should not be encroached upon by the construction of buildings because of the fact that it is considered to be a valuable piece of property with historical records built up over many decades. It was felt that any reversion or change of this land to some other use would destroy the continuity of these records, and that the experimental farm should remain intact at its present location.

I think the present minister has been modifying the policy as set out by his predecessor. He appears to be on record as in favour of the construction of an administrative building at the location of the central experimental farm but I would express the hope that such a building will not be constructed at that location, and that the farm situated at this very strategic and valuable location will not be sacrificed to commercial interests, so that the valuable records will be maintained.

Mr. Hamilton (Qu'Appelle): This vote refers to the terminal elevators owned by the board of grain commissioners at Prince Rupert, Edmonton, Moose Jaw, Saskatoon and so on, and has nothing to do with the building of an agricultural administrative building at all.

Mr. Peters: Could I ask the minister if there is any intention this year of extending the facilities of the elevator at Prince Rupert?

Mr. Hamilton (Qu'Appelle): There is nothing included in this vote in that regard. This has regard to necessary repairs to existing equipment.

Mr. Peters: The minister will recall that the hon. member for Skeena has raised this question on several occasions this year and has pointed out that the problem existing on the west coast could be greatly relieved if the facilities at Prince Rupert—I understand that is the shipping point closest to the

Orient—were increased, and considerable benefit would accrue to western shipping facilities.

Mr. Hamilton (Qu'Appelle): There was a previous vote carried for expansion to docks and wharves so as to take full advantage of the capacities at Prince Rupert. We will be using the Prince Rupert facilities to full capacity this calendar year.

Item agreed to.

Land rehabilitation, irrigation and water storage projects—

Irrigation and water storage projects in the western provinces including the South Saskatchewan river project; the Prairie Farm Rehabilitation Act program; land protection, reclamation and development—

33. Administration, operation and maintenance, $7,843,075.

Mr. Herridge: This item has reference to the administration of land rehabilitation, irrigation and water storage projects. In this connection I would like to ask the minister a question but will preface it with a little information. In British Columbia only 3 per cent of the total area is suitable for agricultural purposes. Last year there was $125 million worth of agricultural products imported. That includes a great volume of importation from the United States.

The fruit and vegetable growers in the interior of British Columbia are very concerned over the possibility that the storage of water in the Arrow lakes, as a result of the building of the high Arrow dam, will make it possible to irrigate hundreds of thousands of acres in the United States at low cost. They have expressed their fears to the minister of agriculture in Victoria, and he recognizes the danger. He is reported as promising the legislature that when he attends the dominion-provincial agricultural conference he will ask the federal government to consider raising the tariffs on fruit and vegetables to protect Canadian farm producers against the damage that will be occasioned by storage of water behind the high Arrow dam. Has the minister had any communication with the minister of agriculture in British Columbia in this connection? This is of great concern to the producers in the Okanagan and in the Kootenays.

Mr. Hamilton (Qu'Appelle): I cannot recall any letter, but I am informed there will be a meeting between the federal government and the various provincial governments later on this month on agricultural services and maybe the minister of agriculture for British Columbia refers to that meeting.

Mr. Herridge: I wish to say I think it is a most absurd situation for Canadians to be providing the money to flood out thousands of acres of good land in British Columbia when we have a market in British Columbia, and then find it necessary to impose a tariff against United States fruits and vegetables which will raise the living costs of all consumers. I do hope that the minister will give this question some consideration when it is brought to the attention of the dominion-provincial agricultural conference because it is of great concern to producers. This water will be used to irrigate thousands of acres in the United States. Here is a suggestion by the minister of agriculture in British Columbia—I am a free trader in principle—that we should raise the tariff, and in so doing increase the cost of living of all Canadians, to pay for the damage occasioned by the action of the federal and provincial governments.

(Translation):

Mr. Deschatelets: Mr. Chairman, this item refers to the draining and development of lands. It would have been more appropriate perhaps that I speak on item 5, but I believe that my remarks are relevant to the item under discussion. At all events, I shall be brief.

This problem causes concern to millions of Canadians who suffer in many areas of our country from the curse of mosquitoes and black flies.

I should like to know, since we are dealing with land development, what is being done at present to control this scourge. We are appropriating today a great deal of money for access roads to forests for picnic grounds and for the development of tourist facilities, but during a great part of the summer, millions of Canadians are unable to fully enjoy our lakes and forests, precisely because they are infested with black flies and mosquitoes.

There is also an economic aspect related to this question. It will be remembered that an important film-producing company came to the Laurentians a few years ago to shoot a film and lost money on account of these very mosquitoes because the shooting could not be done according to schedule. When they left, the company officials stated that they would know better next time.

This is not only a question of the welfare of Canadians; we must also consider this economic aspect, which has its importance. I understand that certain marshes, certain waters, have begun to be disinfected with chemical compounds these last few years. I think it is being done around the city of Ottawa.

I would therefore like to know from the Minister of Agriculture—

(Text):

The Chairman: Order. I have strong doubts about the relevancy of the comments of the hon. member not only to the item under consideration but to the Department of Agriculture. Unless the minister says it comes within his responsibility I am afraid I will have to intervene.

(Translation):

Mr. Deschatelets: Mr. Chairman, this is a matter which I am sure concerns the Department of Agriculture.

At any rate, I now close my remarks by asking the minister whether this year we are spending or expect to spend any money on the treatment of swamps and lakes to prevent the swarming of mosquitoes, not only to attract a growing number of tourists but for the welfare of all Canadians who wish to enjoy our beautiful scenery.

I would like to have the minister say a few words on that subject.

(Text):

Mr. Hamilton (Qu'Appelle): I think your suspicions were correct, Mr. Chairman. This particular vote deals with the Prairie Farm Rehabilitation Act. I have inquired from my advisers and they do not know of any spraying operations with respect to sloughs or water courses out there to exterminate mosquitoes. Sometimes they may light bonfires and create a lot of smoke to drive down wind, and I can imagine that may be done under this act in some of the pastures at night, but I would not know for certain.

I am sorry about the hon. member's position on this point because he knows of my interest in it; he knows it is the type of thing I have been thinking about under the so-called A.R.D.A. program, but it does not come under these votes at the present time.

Mr. Brunsden: I should like to say a few words on item 33. Those of us who live in the prairie region of western Canada, who, by reason of the Easter recess had opportunity to pay one of our very infrequent trips to our own areas, came back to Ottawa with some grim forebodings.

Mr. Carter: I did not think the hon. member would admit it, though.

Mr. Brunsden: I am not speaking politically. Let me say that if these hon. gentlemen in the opposition would occasionally, even very occasionally, shelve their politics and deal with the actualities of the problems in Canada, this house would gain in dignity and they would render a great service to their own constituencies and to the country at large.

We came back to Ottawa with some forebodings. Those forebodings were engendered by the spectre of drought in western Canada. Up to about four years ago we had 10 years of better than average precipitation. We had no real water worries and yet for the last four years, in each year there has been less and less precipitation, and we find ourselves this spring in a position with no reserves of moisture and a very dark outlook with respect to the forthcoming crop, and, what may prove even worse a real problem with respect to grass.

As you well know, sir, we live in what has been described as the Palliser triangle. More than 100 years ago Palliser recommended that this particular area should never see the plow. Unfortunately, in the enthusiasm of settlement, it saw a good many plows and we cultivated areas which should have remained under grass. There is promise under this government's legislation of placing those areas back under grass. I for one heartily commend the minister in his endeavour to develop a long range program which will bring back to western Canada its own natural advantages. At the moment the great question in the minds of those of us who come from my area is this: Are we going back to the dustbowl conditions of the 30's? Are we going back to the policy—and I am not criticizing that policy—where, under government supervision, we were forced to sell our cattle for what we could get? In the 30's, the price was three cents a pound. We sold thousands of head in order to save them from starvation.

Since the war years we have built a tremendous cattle industry in western Canada. Let me say that this industry has been the bulwark of agriculture in much of western Canada. We talk a lot about wheat but cattle have been the prop under which agriculture has rested in western Canada, especially in so far as the semi-arid regions are concerned. I, for one, am greatly concerned as to what may happen to this industry if dustbowl conditions return and we have insufficient grass and water to carry our cattle through this season.

Let me say very briefly that our water supply is generated on the eastern slopes of the Rockies. The snowfall in recent years in that area has been very light, and it was very light again this year. Our rivers and streams are very low, and there is no indication of improvement unless there are heavy rains within the next two months. After that, it may be too late.

This is all a prelude, Mr. Chairman, to urging upon the minister the necessity for an immediate, dynamic program of water conservation. Again I congratulate him for what he has done. He has been in consultation with men resident in my area and in other adjacent areas. He has met many of the officers of the Western Canada Reclamation Association who long have been and are seized with the importance of this problem. I am quite sure he will make it a point to accept their advice and be guided, at least to a large extent, by their opinions.

This item also deals with further work on the South Saskatchewan river development. I have spoken on this subject before. It is a three-way development. It promises power, it promises a domestic water supply for the cities and towns, and it promises irrigation. Now, we in Alberta are not jealous of Saskatchewan in so far as the South Saskatchewan dam is concerned. However, we do urge that in the dispersal of federal funds, further consideration be given to the already existing irrigation districts in Alberta. My reason for advancing this suggestion is that most of these districts were developed by private corporations. My own district, the eastern irrigation district, was developed by the Canadian Pacific, as were others. The Canadian Pacific found it expensive to maintain. Finally, they went to the farmers in the district and said, "This load is too heavy for us; you take it over and we will give it to you. We will also give you $300,000 as an operating fund and you carry on from there." I am very proud of the manner in which our men have continued that operation. I have had the privilege of managing the district for a few years. Certainly, the farmers have made good.

A stage has been reached in this irrigation project where the main structure, the Bassano dam, is now beginning to go. This is one of the best dams in the world, but it is now 50 years old. There are many other structures, such as the aqueduct at Brooks—which many hon. members may have seen from the train—which is beginning to go. The people of the district and the province of Alberta have not the financial capacity to replace these structures. Last year the minister was very generous in connection with the construction of one project in which we were very interested. The government was very generous. Let me record the thanks to him of the people concerned for that help. Let me say to him that if we are to preserve our existing irrigation districts, we shall require further help. I ask him to see that we get it.

Mr. Carter: I merely wanted to ask the minister if bog clearing is covered by this land rehabilitation program. There is a considerable amount of bog clearing carried out in my riding, and this land has been successfully turned into grassland. I should like to know whether or not it would be possible to have financial assistance given under this item to this bog clearing program?

Mr. Hamilton (Qu'Appelle): Mr. Chairman, strange as it may seem, this vote does contain a small item for a special grant to Newfoundland which covers the subject raised by the hon. member.

I wonder whether, in the absence of the hon. member for Bonavista-Twillingate, one of the members of the opposition would convey to him the answer to a question he asked the other day during the consideration of item 1? He asked for a report on the progress of the Fairford works in Manitoba. These works are part and parcel of the overall drainage program of the Manitoba government. The Department of Agriculture, through the agency of the P.F.R.A., has entered into a joint agreement to pay half the costs of the Fairford works as its part of the total drainage scheme. The hon. member asked for a report on the progress of the work. I am told that as of March 14 the control works, which are the main part of the project, were 90 per cent complete. The expected date of completion of the control works is April 15, 1961. The downstream excavation part, which is a follow-up to make certain that the control works effluent gets away easily, will be postponed to this fall. The expected date of completion of the downstream excavation now is December 15, 1961.

I think the hon. member will be interested in knowing, since he originally came from that area, that these works will increase the flow out of lake Manitoba by five times the flow provided by nature.

Mr. Muir (Lisgar): This item, which includes land rehabilitation works and water storage projects, is of vital importance to the area which I represent. My constituency includes one of the fertile valleys of southern Manitoba, rich in soil but short on water supplies. I hope that this program of building small dams under the Prairie Farm Rehabilitation Act will be continued. I should like to have the assurance of the minister that there will be no cut-back in this particular program at this time.

Mr. McIntosh: I should like to discuss very briefly—

Mr. Muir (Lisgar): Excuse me, Mr. Chairman, but I should like the minister to reassure the committee that there will be no cut-back in the program of building agriculture dams and irrigation projects under the Prairie Farm Rehabilitation Act.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, the exact opposite is the case. I cannot say there have been new records created but in the calendar year 1960 over 4,000 farm dugouts were completed. We expect to equal that number or exceed it this year. We are working more in co-operation with the provinces, on a 50-50 basis. Incidentally, rehabilitation never ends in any part of Canada and this statement applies particularly to the prairies.

(Translation):

Mr. Boulanger: Mr. Chairman, I should like to direct a question to the Minister of Agriculture (Mr. Hamilton). Can he tell us how much has been spent so far on the construction of the dam on the South Saskatchewan? Can he also tell us what will be the total cost of this project, and give us some indication of the date of completion of this project?

(Text):

Mr. Hamilton (Qu'Appelle): I will read the figures: 1958-59, $1,200,000; 1959-60, $5,700,000; 1960-61, $11 million; 1961-62, estimated, $13,750,000. The grand total is $31,050,000 if my arithmetic is correct. The expected time of completion of the dam, if everything goes well, is the end of the calendar year 1965. The total estimated cost of the dam is $96 million.

(Translation):

Mr. Boulanger: Mr. Chairman, I wonder if the minister could tell us whether plans are being made to reclaim the land along the Saskatchewan river. It is said that the dam will restore to agriculture 500,000 acres of land in the province, and I should like to know if something is being done to develop this land.

(Text):

Mr. Hamilton (Qu'Appelle): Under the agreement signed between the federal government and the provincial government of Saskatchewan, the province is obligated by the time of the completion of the physical work of the dam to have provided 50,000 acres for irrigation. The province of Saskatchewan is busy now making these arrangements to make a minimum amount of irrigated land available for farming at the first year the dam is completed.

Mr. McIntosh: I wish to discuss very briefly the problem of community pastures which comes under this agency known as P.F.R.A. First I wish to register a strong objection to the increase in fees for cattle entry into these pastures. I have written to the minister and have discussed this matter with him. I took his information back to my constituency during the Easter recess and I find that some of the information I received from him is not correct. This is not the first time that it seems to me the policy of P.F.R.A. down in Ottawa differed from the policy implemented by the officials on the ground. The minister knows of several occasions to which I refer.

The minister's answer to me on the raising of the fees was that these community pastures had to pay their way. I do not think there would be any objection to that. However, in one community pasture in which I have a great interest I have been informed that last year there was a net profit of some $19,000. It would seem to me unreasonable that those people should be penalized because other pastures were not operated in as efficient a manner. I would suggest to the minister that possibly he should look into the problem of pasture management before he increases these fees. Where one pasture may make a net profit of $19,000, it would seem to me there was mismanagement in some of the others.

As to another pasture with which I had dealings during the Easter recess, I gave those concerned the minister's explanation and asked them whether they went into the operating account or the operating expenses of the pasture. They said yes, that they had gone into it with the officials of the P.F.R.A. and there was one item, namely the construction of a house amounting to some $4,000, which was in the operating expenses. They knew—as well as the minister knows and as well as the official knew—that the building of a house is not an operating expense but is a capital expenditure and that it should be treated as such. If that is the way in which these books are kept, I am concerned. I understand that the answer received from the official of the P.F.R.A. as to why that item was put in there was this. The officials said it was as a result of faulty bookkeeping of the federal government. Is that the type of people we have representing this department out on the prairies?

Another phase of the community pasture which I should like to bring to the attention of the minister at the present time is that of regrassing. According to the minister's policy down here and according to the letters which I have received from him this regrassing program apparently is supposed to be a continuing operation. The officials on the ground out there disagree with him. They say that the regrassing program has been abandoned, that it is out. Who am I to believe?

I would suggest that this P.F.R.A. agency, like some of the other agencies under this department, are not sure of their policy. I would suggest that we should start right from the top. To prove what I mean by saying they are not sure, may I say this. We have a great deal of discussion on the wheat board which is an agency of this

department. In 1959 in the standing committee on agriculture we asked the chairman of the Canadian wheat board what the policy was with regard to permit books. After many lengthy questions and supposed answers he said this, and I will read from the minutes of proceedings and evidence of the committee at page 236. First of all I will read the previous question:

Mr. McIntosh: I want a definite statement from the wheat board as to who is or who is not entitled to a permit book. You say if he is producing grain and can prove that he owns his own land, then he is entitled to a permit book.

Mr. McNamara: I do not think Mr. Riddel said exactly that. If he owns his own land, is binning the grain he produced off that land, separately, and is merchandising it in his own name.

Mr. McIntosh: What do you mean by merchandising in his own name?

Mr. McNamara: Selling to an elevator company.

That was the policy of the wheat board. Everybody in western Canada knows that you cannot sell to an elevator company unless you have a permit book. Where is the policy in that matter?

I say the same situation exists under the P.F.R.A. I say that they have not a policy. Since this South Saskatchewan dam has been worked on, I contend that the P.F.R.A. administration have spent most of their time on that dam and have forgotten the rest of their program out there. I think it is time that the minister revamped that whole agency out there. I think that he should take another look at this question of community pastures, the mismanagement in these community pastures and the increase in the fees to these community pastures. I might say that since we came into power these fees have been increased 100 per cent and I say that, politically speaking, I do not like it.

The Chairman: Shall vote 33 carry?

Mr. Hamilton (Qu'Appelle): I think I should like to have a chance to answer some of the remarks made by the hon. member for Swift Current-Maple Creek. I think the hon. member should be congratulated on showing such an active interest in his constituency. However, I have to tell hon. members occasionally that the operations of the department cover more than one constituency.

I should like to speak about the question of fees to the pastures. No person would like more than myself to keep these fees down. On the representations of the hon. member for Swift Current-Maple Creek and other western farmers I looked at the proposed increase of fees when I took over the portfolio and I looked at the estimates. These fees were reduced. Originally they were three cents on each head. The fee was raised to four cents under the proposed plan. I had it re-examined and had every figure cut out that was not part and parcel of the operation. The very best that I could do was three and a half cents.

Where the hon. member goes wrong is that he takes an individual pasture which shows a profit and tries to say that the fee should be at cost for that pasture. Actually we have to look at all community pastures as a group. I know this. If I am going to get double the amount of pasture built in western Canada in the next two or three years, as I hope to do, when I go before treasury board I want the figures to prove that community pastures are paying their own way. This amount of three and a half cents per head for cattle, which are the main users of the pasture, is the minimum to which I can get the fee down. If it shows a profit, I will certainly cut it down again. I say that the hon. members has made progress in his representations to me. He obtained a 50 per cent reduction in the increase, at least. Let us try it for a year and see how it works out.

As to the question of the house, may I say that a house should certainly not be in any operating item. If it was a mistake, I hope it will not happen again. I must take responsibility if it does happen. I will accept that responsibility as minister if mistakes are made and will take the necessary action to see that they do not happen again.

On the question of regrassing, may I say that the situation is similar to that with regard to the payment of fees. Generally speaking, the policy of the department in the community pastures is to maintain a continuing policy of regrassing. We have to work on the advice of experts who go in and look at individual pastures. In some cases they occasionally recommend that the pastures be left in native grasses and not reseeded, or left in the same type of grasses which are growing.

Every year there is a vote for regrassing, and generally speaking this policy is followed. However, if the experts recommend that on certain pastures there should be no reseeding, it is not proceeded with. I think that on the whole this is a sound way of handling it.

Mr. McIntosh: Mr. Chairman, the minister said that the hon. member, meaning myself, went wrong. I think I should have an opportunity to refute that statement. I submit that I did not go wrong. I think the minister is the one who has gone wrong in this connection, because he said there should be an over-all policy for all pastures and they should be treated the same.

I suggest that you cannot treat a pasture in an irrigated area in the same way that you treat a pasture in a dry farm area. They must be treated differently. I could say more on this subject if required.

The minister has said that he takes his advice from experts. The minister and his officials take the advice of experts if they want to. In regard to community pastures the advice of Mr. Baden Campbell of the Swift Current experimental farm was to regrass a certain pasture to which he referred. The officials of the Department of Agriculture said no, and they did not take his advice at that time. However, they took his advice in connection with extending the admittance period from April 1 to May 1. They had advice from the experimental farm but they used it just when they wanted to.

The minister and his officials sit here and are not aware of conditions in this respect. I suggest that some of the officials should go out on the ground and see things as we members see them, and then they would understand our problem.

Mr. Regnier: I should just like to commend the minister and the department for the active manner in which water storage projects have been constructed. In my riding we expect this vote to cover two major projects on the La Salle river, namely at Starbuck and at the town of La Salle. These projects are continuing in co-operation with the province of Manitoba and the farmers all along the La Salle river will benefit greatly. I wish to express my satisfaction with the manner in which the department is handling this matter.

Mr. Peters: Mr. Chairman, some time ago I raised the matter that other parts of Canada would like to take advantage of programs such as community pastures and benefits which are received from prairie farm assistance.

The minister said recently that you have to do the same thing for one as you do for another. I wonder what the policy is in connection with extending this type of development of community pastures and other assistance into other parts of Canada, to allow these farmers to take advantage of these benefits.

In my particular area community pastures would be a real asset. It is an area in which the federal government, either through grants of land from the municipalities or in any other way designated by the minister, could establish a community pasture program similar to that enjoyed by western farmers. We have the land available and the assembling of it would not be too difficult. I see no reason why we in northern Ontario should not take advantage of community pastures, which is one of the benefits enjoyed by western farmers.

The western farmers have had experience in this regard. There are probably differences of opinion regarding specific pastures, but I think hon. members would be quite happy to extend this particular section of the act to cover farmers in areas similar to my own in order that they may benefit from the act.

Unfortunately many of the things under this item apply only to the prairies, and many of the farmers in other parts of Canada are not aware of the fact that community pastures and other benefits have been established. I am quite sure they would also like to be in a position to take advantage of the benefits that would accrue from the extension of this assistance, and I refer in particular to community pastures.

Mr. Hamilton (Qu'Appelle): I have just a short answer, Mr. Chairman. I hope the hon. member will support me on the A.R.D.A. program. This is one type of agreement which we hope to make with provinces other than Manitoba and Saskatchewan, which are covered by community pastures at the present time.

Mr. Nasserden: Mr. Chairman, I should like to ask a question of the Minister of Agriculture. I have been approached by some people concerned with well drilling operations in Saskatchewan and I wonder whether the minister would give consideration to providing some assistance to deep well construction projects.

At the present time there is assistance in some provinces for dug-outs which are successful in holding water. In other cases deep wells have to be dug. I wonder whether some assistance could be given along this line.

Mr. Hamilton (Qu'Appelle): This matter has been before the government on several occasions during the past 20 years. The position at the present time is that we know so little about water tables that we are embarking upon a rather hazardous type of venture. Ever since the farmers opened up the prairies at the turn of the century it has been appreciated how much the law of luck concerning water supply enters into digging wells. Therefore the department has been a little hesitant about going into this type of operation.

I would inform the hon. member that in the Department of Mines and Technical Surveys a program was started two years ago to carry out studies of ground water tables and water supplies in western Canada. I cannot say how far that work has gone or how much ground has been covered, but I

think we will know a great deal more about digging wells after that work has been completed by this department.

Mr. Argue: Mr. Chairman, there are one or two brief items I should like to raise at this time. One has to do with certain conditions on the South Saskatchewan river project.

I should first of all like to raise the question of wage rates being paid along the project. In particular I should like to raise the question of the wage rates being paid to carpenters, because I have received a quite substantial communication on this matter.

I am informed that some time late last fall the carpenters' rate was boosted from $1.80 to $1.95 per hour and that this went some distance towards meeting the criticism that wages being paid on the South Saskatchewan river project generally were not in keeping with those being paid for comparable work in such places as Saskatoon, Moose Jaw, Swift Current, Prince Albert, the Squaw rapids project, and so on.

However, it has been pointed out in the correspondence that has been brought to my attention that in spite of this increase there is still a substantial difference between the wages paid to carpenters on the project and wages in these various localities. I am informed that at Saskatoon and Moose Jaw the wage is $2.25 an hour; at Swift Current it is $2.05 an hour; at Prince Albert it is $2.05 an hour and at Squaw rapids it is $2.05 an hour.

It is pointed out that the Squaw rapids project is about the same distance from Prince Albert as the Saskatchewan river project is from the city of Swift Current, and that the rate paid in the city of Swift Current is ten cents an hour higher than the rate paid on the dam. I am also informed that the rate paid is 30 cents an hour below the closest centres, namely Moose Jaw and Saskatoon. I would ask the minister, if he has any information to give on this point, to inform the committee whether the Department of Labour has laid down any rule or given the minister any advice which might lead to an improvement in the rates paid to carpenters on the project so that wages may be brought more closely into line with wages paid to carpenters in the various centres to which I have referred.

I have also received some correspondence, as have other members—I believe the hon. member for Rosetown-Biggar raised this matter in the house at one time—having to do with health conditions at the South Saskatchewan river project. It has been pointed out in the correspondence which has been sent to me that health conditions on the project leave a great deal to be desired. The position has been referred to the Department of National Health and Welfare which undoubtedly has an interest in this field, but since these conditions prevail in camps operated by companies which have contracts for the construction of this project I should think the Minister of Agriculture is actually the man who would have the greater influence and that in the future he could exercise some authority to see that camp conditions are improved. It has been pointed out that the employees pay $2.50 a day for room and board, or $75 per month, and that for this sum they should be entitled to expect a reasonable standard of food and shelter. The letter which has come to me was sent out under the signature of Joseph A. Thain, international representative of the union of operating engineers and it calls for a full investigation into such matters as the condition of the bunk houses and bedding, the immediate removal of the Ingram camp, there being no water in that area; insufficient seating accommodation, no cloak room at the entrance to dining room, inadequate food service, cold food, the insufficiency of the cooking area, the very low standard of meals, the breakdown in the water and lighting systems and the lack of facilities for those who carry lunch, as a result of which they are obliged to eat in washrooms.

Since such conditions are abhorrent, and I am sure the minister would be most anxious to improve them, I should like to know what progress has been made in redressing these grievances and whether there has been any supervision undertaken by the Department of Agriculture or by the Department of National Health and Welfare. As I say, I think the Minister of Agriculture is in a place of authority to see that these conditions are improved. Perhaps he would tell the committee what precautions are being taken to make sure that healthy conditions are maintained for the men in the camps in the years ahead.

Mr. Hamilton (Qu'Appelle): I wish to thank the hon. member for having brought this matter to the attention of the committee because it gives us in the department a chance to state what has been done. To deal, first with the question of health conditions, complaints did come in to us and these were transferred to the Department of National Health and Welfare. An inspector did find, in particular, one subcontractor at whose camp conditions were very much like those which the hon. member described. We understand that this situation was corrected and the inspectors of the Department of National

Health and Welfare are now making periodic inspections. I think that, generally speaking, the main contractors do provide a high level of health conditions for their workers. The odd subcontractor might, as in this case, not have provided them. Now that the inspectors are going around regularly I think conditions will improve.

With regard to wages, there was considerable quarrelling going on in the first year or so with regard to the differential between the wage rates in Saskatoon and elsewhere. An adjustment was made not very long ago and since that time, as I understand, no complaints have been sent to us in Ottawa on this question of wage rate differentials. I may say in passing that the technique used on any of these projects is to establish a wage rate for the area; you do not take the wage rate in Swift Current, or Regina or Saskatoon as the basis. The impact effect is always changing, of course, and the figures are revised from time to time. As I understand it now, using the name of the person to whom the hon. member has referred, there have been no serious complaints for some time and I gather that the situation is fairly satisfactory.

Mr. Rapp: I should like to express thanks to the Minister of Agriculture for having given orders through the P.F.R.A. to build an irrigation and water storage project for the Muenster college in Muenster, Saskatchewan. Muenster college is owned and operated by the St. Benedict order. We were finally able to see this irrigation work undertaken last year. It was very important because the Muenster college operates a big farm and has many livestock on the farm. During dry years they are very short of water and the project is of great benefit to this college.

Mr. Cooper: I should like to comment on water projects as they affect the constituency of Rosetown-Biggar in central Saskatchewan. First, the policy of water conservation with dugouts and dams has made a big improvement in Saskatchewan. As a young man I went west. I started farming in 1919 at 19 years of age. The first two crops were failures. We had the best of land, but drought caused two crop failures in succession. I did not get out of debt until 1923 and we had a few wet years.

We have wonderful land. A lot of it should not have been broken up, I admit. We have a long growing season and freedom from frost. But our worry was drought. Starting farming at the age I did, the thought uppermost in my mind was water conservation. When you see the fields all flooded in spring you cannot help regretting that the water will all run off into the river and eventually into lake Winnipeg. This conservation program of dams and dugouts has improved our pasture land for stock and irrigation projects.

Speaking of the Saskatchewan river dam, I was down there last week. In fact, they wrote to me regarding conditions at that time. First, I visited the P.F.R.A. camp. If there is in Ottawa or elsewhere a cleaner and better place to eat than the P.F.R.A. camp I should like to see it. I had many meals there. The floors are polished every day. The P.F.R.A. staff are living two men to a room, some of them with bath and toilet facilities. I went from there to the Kewitt, Johnson and Poole camp. That is where I had my dinner that day. The kitchen and dining rooms were clean. There was a choice of T-bone steak with mushrooms or hamburger steaks with onions. They invited me in to see their bedrooms. The bedrooms were clean. I would not mind sleeping in any room that I went through that day.

I went through Pigott's contruction camp on the other side of the river and have had meals there. I do a lot of visiting in that area and accept meals whenever I can. The meals I received at the Pigott camp on the west side of the river were very wholesome. I was informed that the only thing the men were required to do was keep their rooms clean. I was asked to look at the rooms to see whether they were dirty, and must say that some did have dirt on the floors but others were cleaned up and had pin-up girls on the walls and I thought were very nice places to stay.

There was some complaint about a year ago in regard to wages paid at these camps. I made an investigation in this regard and found that labourers building the camps were paid at the rate of $1.25 per hour. Individuals working on bridge construction as labourers received $1.45 per hour, and steam engineers firing the boilers received $1.90 an hour. At Smith Brothers-Wilson Camp carpenters were receiving $1.90 per hour plus $100 per month maintenance allowance while away from home. There were 15 farm boys from the town of Hawarden working there receiving $1.75 an hour driving nails. They were not required to handle a saw because everything was pre-cut before it arrived at the job. I may say that the officers of the Kewitt, Johnson and Poole camp received a letter of apology from Mr. Joe Thain after this investigation.

I do not want to prolong this discussion and feel I have explained as much as I can at this time. This work is progressing favourably. There were 500 men employed over the winter and it is expected that from 1,500 to 2,000 will be employed during the coming summer. Winter work on the diversion tunnels continued all winter. I went into

the first tunnel and found that the 25-foot hole has been extended 600 feet with the ring beams and cement. As I say, the work is progressing rapidly and on schedule, and it is expected that the job will be completed in 1965.

Item agreed to.

35. Maritime Marshland Rehabilitation Act including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the province of Nova Scotia of the cost of the Annapolis river Aboiteau-Causeway project, $1,034,873.

Mr. Creaghan: In regard to this vote I might say that slightly in excess of $1 million will be spent in eastern New Brunswick, Nova Scotia and Prince Edward Island. The maritime marshland rehabilitation federal agency is designed to provide assistance to these three provinces for the development of tidal marshlands. The estimate this year is about $600,000 less than last year, and this reduction is primarily brought about because of the fact that the Tantramar river dam is just about completed. This dam is located entirely in my riding and is one of the first major projects approved by the federal government in Westmorland since my election to parliament. This dam was first requested in 1949 and an order in council in 1950 authorized a Toronto firm to do the survey.

I would like to take this opportunity to thank the present Minister of National Defence for his wonderful co-operation in 1958, 1959 and 1960 and the present Minister of Agriculture for his continued co-operation. The staff of M.M.R.A. consists of well-trained engineers and experts in causeway construction. As a result of their experience and training the province of New Brunswick, in March 1960, requested the federal government to permit the use of their facilities and experts to design a causeway known as the Peticodiac river causeway. The federal engineers working on this program submitted an interim report which was made public during the month of November last at which time it was indicated that a final report on feasibility would be completed by March 31, 1961.

During the Easter recess I made inquiries at Amherst, Nova Scotia, and was advised that the final report was posted on Friday last to the Department of Public Works at Fredericton, New Brunswick, and to the appropriate officials in Ottawa. I would appreciate if the minister would indicate at this time if he has received a report regarding this study known as the Petitcodiac river causeway.

Mr. Hamilton (Qu'Appelle): In answer to the hon. member's question, I might say that the report has been studied by the department and I believe a letter is now in the mail submitting that report to the New Brunswick provincial government.

Item agreed to.

Special—

36. Prairie Farm Assistance Act—administration, $690,483.

(Translation):

Mr. Boulanger: Mr. Chairman, in connection with this item 36, I wish to direct a question to the Minister of Agriculture, arising out of a statement he made recently to the effect that the Prairie Farm Assistance Act would be extended to the whole of Canada. Would he like to comment on that?

(Text):

Mr. Hamilton (Qu'Appelle): The Prairie Farm Assistance Act applies only to the prairie areas. The statement I made some months ago was that the Prairie Farm Rehabilitation Act should be applied to Canada as a whole because it is concerned with the rehabilitation of water and soil resources. I feel a similar type of act should be provided for the whole of Canada.

Mr. McIntosh: I would like to suggest to the minister that the regulations of the Prairie Farm Rehabilitation Act should be considered at the present time because they have not been revised since 1958. I would suggest that payment should now be made on an individual basis rather than on a block basis. I feel some consideration should be given to the areas where ranching is carried out regarding fodder being considered as equivalent to grain because there is a certain amount of bad feeling in areas where ranching and farming is done side by side.

The situation now is such that a farming area adjoining ranch land is not entitled to payment but the rancher who does not sell his grain but cuts it for fodder to feed cattle receives revenue from the sale of the cattle and also payments under prairie farm assistance. I think those ranchers themselves feel that this is unfair and that if this situation were rectified the feeling which now exists in these areas would be eliminated.

Mr. Regier: I would like to ask the minister in respect of this vote how many and what are the areas where contribution is paid but where no advantage has been taken of the benefits under this scheme.

Mr. Hamilton (Qu'Appelle): There are about 7,000 townships in western Canada which are covered by the Prairie Farm Assistance Act. There are a few townships which have never received any payments under this act. I think most of them are in Manitoba though there

may be one or two in Saskatchewan. The parliamentary secretary informs me that Red River has a few townships which have never had a payment.

Mr. Regier: I notice the minister said there are a few townships of the 7,000 which have never received any benefits. Can he give us any specific figures of how many townships have never yet qualified for any benefits?

Mr. Hamilton (Qu'Appelle): I asked this question of the head of P.F.A.A. a week or 10 days ago and his answer was, "Just a few". I think by "a few" he would mean probably less than a dozen of the 7,000. I can get a breakdown of them if the hon. member would give us time to go through all the figures and round them up. It will take some time to check over how many times they received assistance. It would be much easier to give the numbers that have received it many times because we have that tabulation now.

Mr. Regier: I believe the minister is a little optimistic or maybe pessimistic, depending on how you look at it. He says there are only a few which have never been eligible to claim any benefits. Has any consideration ever been given to exempting areas of the prairies from paying their levy because, owing to the elements of nature, they ought not to be included since they are not in any risk area whatsoever?

Mr. Hamilton (Qu'Appelle): I can only inform the hon. member that ever since the scheme started the people who have not received as much money out of the scheme as they put in have complained continually, but they have not been allowed to withdraw.

Mr. Argue: They never wanted to.

Mr. Hamilton (Qu'Appelle): Yes, I am afraid they have asked on many occasions to get out or to have the payments increased or something along that line. I think the hon. member will find that many have asked to be let out but they have not been allowed to get out because it is a rule that is applied to all farmers, and they stick to it.

Mr. Argue: Mr. Chairman, I think the Prairie Farm Assistance Act has been one of the best acts on the statute books of this country. It is something that should be maintained and improved. I agree with the remarks made a few moments ago by the hon. member for Swift Current-Maple Creek who pointed out that payments should be made on an individual basis. Some of us, including the Prime Minister himself, over many years have been campaigning for this kind of change in the Prairie Farm Assistance Act. We think other changes should be made, especially in the maximum payments for various categories of yield. The payments that may be obtained under the act at the present time are too low and bear no reasonable relationship whatsoever to the cost of production. The government should consider a substantial increase in the payments under the Prairie Farm Assistance Act. With crop production costs as they are at the present time, I think a very powerful argument could be made for doubling the payments under this act. That would be a very—I do not like to use this word—"conservative" payment; it would be a very low payment and in no way adequate to meet the farmers' cost of production. Of course, it would be a very substantial improvement over the payments which are being made today.

The government has another scheme which is closely related to this scheme, namely the crop insurance provision. We have had some very critical things to say about the crop insurance scheme. In so far as Saskatchewan is concerned it just is not worth while. Forty thousand farmers were circulated and 200 signed up for the insurance. It is agreed that it is merely an experimental method of gathering some information on the operations of a crop insurance scheme. The federal payment into the scheme is 20 per cent of the likely or the projected future premiums and half of the administration costs. This is a very tiny part of what might be a liability for the provinces in time of widespread crop failure.

It used to be that crop failure resulted almost exclusively from drought. In spite of the fact that the west is dry today I think drought is much less a menace now than it was 10 years or 20 years ago. Farmers use better production methods; they have better equipment. They are able to handle their soil in a much better way. Many of them operate on a 50 per cent summer fallow basis, so that the risk of drought is very much less today, even with a given quantity of rainfall, than it was some years ago.

Can the minister tell the committee how many farmers have been taken out of prairie farm assistance because of the operation of crop insurance? In other words, how many farmers are under the crop insurance scheme in Manitoba and therefore outside the Prairie Farm Assistance Act? How many in Saskatchewan are likely to be outside the scheme? My information is there are a couple of hundred. What is happening to the crop insurance program in Alberta?

Mr. Brunsden: Will the hon. member permit a question? He suggests that there should be an increase in the payment under P.F.A.A. Bearing in mind the fact that the contribution from the farmer by way of deduction

of 1 per cent is something less than 50 per cent of the outgo, would he suggest that the levy itself should be increased?

Mr. Argue: I will answer tomorrow; it is now six o'clock.

Mr. Hamilton (Qu'Appelle): I wonder whether we could ask the committee to give consideration to sitting a few moments longer since this is the last vote.

Mr. Argue: No, six o'clock.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. McIlraith: I wonder whether the house leader will indicate the business for the days ahead?

Mr. Churchill: We have to make a slight change in what I announced last night, Mr. Speaker. We will finish agriculture tomorrow, which I presume will not take more than another 10 or 15 minutes, and then go on with the estimates of the post office.

Last night I announced that they would be followed by the estimates of the Department of Public Works, but owing to certain unavoidable matters and absences that will be caused on both sides of the house we have agreed to switch to the Department of Fisheries when the post office has been completed. So that there will be no misunderstanding and as an instance of good co-operation, because of other absences on Friday which affect the estimates of the Department of Fisheries, we have agreed that, despite the progress we may make with the estimates of that department, we will nevertheless keep item No. 1 open for further consideration on some future occasion.

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

Question

ANSWER TO QUESTION

The following answer, deposited with the Clerk of the house, is printed in the official report of debates pursuant to standing order 39:

ILLEGAL CHINESE ENTRANTS

Question No. 99—**Mr. Howard:**

1. Have any of the alleged illegal entrants of Chinese origin been offered any amnesty or been provided with any facilities for regularizing their entry to Canada, and, if so, how many such entrants have been affected?

2. Has the government, or any minister thereof, waived any provisions of the law in so far as the alleged illegal entrants are concerned, and, if so, which particular provisions have been so waived, in how many instances, and by authority of which particular provisions of which statute or regulation?

3. Have any prosecutions been entered into with respect to the said illegal entry, and, if so, what charges were laid in each case, and what has been the disposition thereof?

Answer by: **Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration):**

1. The announcement made in the House of Commons on June 9, 1960, stated that "it is not the intention in connection with the current investigation to prosecute or deport from the country any Chinese presently in Canada, who have not themselves engaged in assisting other Chinese apart from their own relatives, to enter Canada illegally".

The announcement affects equally, on the basis of the terms and conditions set out therein, all illegal Chinese entrants to Canada who were in Canada at the time the announcement was made. It is not possible to state the total number involved, since the full number of those who have themselves entered illegally and of those who have helped their own relatives to enter is not yet known.

Facilities have been provided in each of the main immigration offices across Canada to assist individuals who wish to make a full disclosure of the circumstances of their illegal entry into Canada or of the help they have given to other illegal entrants. Special staff members have been trained and assigned for this purpose. Where it is satisfactorily established that full and complete disclosure has been made, each case is then studied to determine what further steps are required to regularize the status of the individual in Canada. In some cases correction of certain information on departmental records may be all that is required. In other cases where an individual has entered under a false identity, or through use of a Canadian passport obtained by fraud, it may be necessary to recommend that permanent landing be granted by order in council under the individual's true identity. In other cases the individual may have acquired Canadian citizenship under a false identity, and this may have to be corrected.

2. No provisions of the Immigration Act have been waived. Section 26 of the act provides that the director of immigration shall order an "inquiry" to be held, which may lead to a deportation order being issued, in cases where he has received a written report under section 19, and "where he considers that an inquiry is warranted". Since the announcement in the House of Commons on June 9, 1960, the director has exercised his discretion under section 26, and has not ordered an inquiry to be held in cases which appear to fall within the scope of the announcement.

3. No prosecutions have been entered with respect to illegal entry, except in cases falling outside the scope of the announcement made in the House of Commons on June 9, 1960.

[The following items were passed in committee of supply]:

DEPARTMENT OF AGRICULTURE

Board of grain commissioners—
(Canada Grain Act)—

29. Administration, $166,215.

30. Inspection and weighing of grain, and related services, $4,721,225.

Canadian government elevators—

31. Operation and maintenance including authority to purchase screenings, $1,595,740.

32. Construction or acquisition of buildings, works, land and equipment, $3,000.

Land rehabilitation, irrigation and water storage projects—

Irrigation and water storage projects in the western provinces including the South Saskatchewan river project; the Prairie Farm Rehabilitation Act program; land protection, reclamation and development—

33. Administration, operation and maintenance, $7,843,075.

34. Construction or acquisition of buildings, works, land and equipment, $18,322,297.

35. Maritime Marshland Rehabilitation Act including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the province of Nova Scotia of the cost of the Annapolis river Aboiteau-Causeway project, $1,034,873.

HOUSE OF COMMONS

Thursday, April 13, 1961

The house met at 2.30 p.m.

PRIVILEGE

MR. CHAMBERS—CORRECTION OF NEWSPAPER AND RADIO REPORTS OF REMARKS

Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence): Mr. Speaker, I should like to rise on a question of privilege and join the great body of the misquoted. Last night I was a member of a panel at a meeting of the "Voice of Women" here in Ottawa. This morning the Canadian Press issued a story from which I will quote briefly:

> Canada needs Bomarc missiles equipped with nuclear warheads if Canada hopes to defend itself adequately, Egan Chambers . . . said here last night.

What I said was that Canada requires Bomarc missiles and quoted what has been said in this house, that these reach their maximum effectiveness with nuclear warheads. It will be recognized that this does not rule out the rejection of nuclear warheads for other reasons.

Also, this morning radio station CBO quoted me as follows:

> Disarmament pronouncements of external affairs minister Howard Green have lost in general popularity because they are supported by certain radical elements.

What I did was urge the "Voice of Women" to give the maximum support to the practical and realistic disarmament efforts of the Secretary of State for External Affairs and say that I did not feel it was of assistance to him to advocate neutralism or unilateral disarmament.

This was an informal meeting and I had no text, but I have checked my recollection of what I said with other well known newspaper men who were present, and they substantiate my version. I should like to say that I appreciate the difficulty of writing an accurate and abbreviated press account of such a meeting, and I also appreciate the fact that the Canadian Press has issued a correction of its story.

EXTERNAL AFFAIRS

STATEMENT ON DISCUSSIONS WITH U.K. PRIME MINISTER

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, yesterday the Leader of the Opposition suggested that I might give a short summary of what transpired during the visit to Ottawa of the right hon. Prime Minister of the United Kingdom. Though I do not feel free, as he realizes, to reveal the substance of the various private discussions which were held between Mr. Macmillan and myself during the visit, some general indication of the topics which were covered may be of interest.

One of the most important was the United Kingdom's relationship with Europe. This is a matter of major importance not only to the United Kingdom and the countries of Europe but to Canada itself, and indeed the whole western world. It should not be seen in purely economic terms, but as a broad development of much consequence in which there must be a careful weighing of both short and long term considerations and of political as well as economic factors. The United Kingdom government has these broad considerations in mind in examining the question of its relationship with Europe.

Reference has been made to the concept of an Atlantic community. As I indicated yesterday, these relationships among groupings in Europe and groupings in other regions of the world will take a very long time to develop and mature. It is well to recall, however, that to some extent the Atlantic community already exists, not in an institutional form but in a degree of spiritual fellowship and also in the various forms of co-operation in the military, political and economic spheres. It is naturally desirable, if not mandatory, in the interests of reinforcing the collective strength, stability and understanding of the western world, that co-operation should be expanded and intensified as practical possibilities permit.

I took the opportunity to restate the concern of the Canadian government regarding arrangements which the United Kingdom might work out with common market countries; that full account be taken of the trading interests of Canada. I made it clear that this would be particularly necessary in the field of agricultural products in which Canada has a substantial interest, and in respect of which the common market treaty has not yet led to specific trading arrangements. The Prime Minister of the United Kingdom left me with a clear impression that the United Kingdom government intends to make every effort to work out a satisfactory means of participating in the economic organization of Europe without detriment to Canadian or commonwealth

interests. In this connection discussions will continue from time to time, and my hope is that, through continuing consultation, arrangements will be arrived at in keeping with Canada's wishes in this regard.

NATO is one subject which was discussed at some length, and the imperative need for greater efforts than have been made heretofore to bring NATO into a strong, flexible and understanding partnership was underlined. In addition, the need of moral, military and political capacity if NATO is to pursue its objectives successfully was emphasized.

The Leader of the Opposition, with his knowledge of the operation of NATO from its foundation, will realize that the importance of political consultation has been a subject of consideration throughout the years. Indeed, he belonged to the group known as the three wise men which made recommendations in this regard. I think Mr. Macmillan would agree that what requires development is the will and the readiness to consult well in advance. The machinery is there, and it cannot be blamed now for any shortcomings in consultation.

The question of a meeting of NATO heads of government was discussed. I feel such a meeting is necessary, but I am equally convinced that it should not be held until there has been thorough preparation and investigation in advance of the likely areas of agreement.

In the international field we reviewed the current situation in Laos and the Congo, but I do not think there is anything to report to the house, since the position in both these areas has been adequately reported in the press and in this chamber.

The problem of China is one to which attention was devoted. In particular, Mr. Macmillan and I discussed the question of Chinese representation in the United Nations and agreed that it was important to continue to work on this problem in preparation for the next regular session of the general assembly later this year.

The house is aware of the fact that the Prime Minister of the United Kingdom visited the West Indies before coming to the United States and Canada. During the course of our discussions he gave an account of the political situation in the West Indies and the outlook for the establishment of a federation when complete West Indies independence has been attained. The economic problems of the West Indies and the relationship of Canadian aid and other such programs to these problems in the western hemisphere were considered.

We discussed the question of low cost imports from Hong Kong, a matter of very salient interest to Canadians at this time. As a result I believe a better understanding of the problems was arrived at, and further discussions will be continued by representatives of both governments.

Mention was made yesterday by the Leader of the Opposition to the uranium situation. On this matter both Mr. Macmillan and I had a word to say to the press following our meeting on Tuesday. Negotiations are continuing, and it would not be advantageous to go into this matter at this time. I might say that early meetings in London are anticipated to the end that negotiations will be resumed on the substance of this issue. In the meantime there is nothing to add to what I said in this regard when speaking in the house some week or ten days ago.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I think we can conclude from what the Prime Minister has said in his report to the house on the discussions between himself and the members of his government and the Prime Minister of the United Kingdom that perhaps the most important matter that came up was the United Kingdom making it quite clear—and indeed it was made quite clear by Mr. Macmillan in Washington—that the United Kingdom is moving toward a merger of the European free trade area and the common market. Indeed, as Mr. Macmillan is reported to have said in his press conference, that is the objective that the United Kingdom government has in mind. He was quoted as saying that once that merger has been achieved, and I quote from the press, "Then perhaps we can put together an Atlantic free trade area". These words confirm what Mr. Macmillan apparently said in Washington, and certainly what he said in a very important speech he made in Boston. He is reported as having said in that speech, and I quote from the Winnipeg *Free Press* of April 10, 1961:

> We need to think not so much nationally or even in terms of greater economic co-operation between nations but in terms of wider groupings.

This is obviously, therefore, as the Prime Minister has indicated, a very important development. The relationship of our own country to that development is also one of major importance. Indeed, I think we will all agree that Canada's reaction should be a positive one, otherwise we may find ourselves carried along by events into an insufficient continentalism.

The Prime Minister also mentioned discussions about NATO. We on this side are only too anxious to support anything that can be done by our own government or by the other member governments, including the United Kingdom, to make that organization

stronger rather than weaker. The Prime Minister did not mention something that Mr. Macmillan himself also mentioned in Washington in his talks with President Kennedy, namely the desirability of a nuclear partnership inside NATO. I do not know whether that matter came up, but certainly it invites the question whether a nuclear partnership will make NATO stronger, or whether it may have the opposite effect of making it more difficult for NATO to strengthen its conventional forces.

Mention of NATO and the necessity of strengthening it reminds me of a statement made on this subject the day before yesterday by President de Gaulle, when he said, "It is the right and duty of the European continental powers to have a national defence that belongs to them". I hope, Mr. Speaker, that in any of the steps that are now being taken to strengthen NATO it will be made quite clear that there can be no salvation for the NATO countries in national defence alone.

The Prime Minister mentioned that they had a discussion about China. He said "The problem"—and it is a problem—"of Chinese representation at the United Nations is one that must be worked at against the next United Nations assembly". It would have been interesting, and perhaps we will learn later, to know the line which the Canadian government will be following in trying to work out a solution of that problem because, as the Prime Minister indicated, it is a problem that will certainly now come, perhaps in a concrete form, before the next United Nations assembly.

The Prime Minister mentioned uranium purchases. He is reported in the press as having said publicly "There is now a clear understanding of the position between the two governments in respect of this matter". He said that negotiations in regard to them—perhaps they should be called renegotiations—are about to take place shortly. In the face of negotiations which will be of such importance to Canada and to Canadian trade, I do not desire to do or say anything which would complicate those negotiations. But surely the matter is, as the Prime Minister is reported to have said, quite clear. There is a commitment undertaken by the United Kingdom government. As the Minister of Trade and Commerce said not long ago, it is to be expected that the United Kingdom will honour that commitment, that the discussions to take place in London will confirm that commitment and discharge that undertaking so these orders can be allocated and bring new life, hope and activity to the uranium communities.

I am sure that the conversations which have just been concluded between the prime ministers of Canada and the United Kingdom have been valuable to the governments of both countries. I am equally sure that Mr. Macmillan has gone back to the United Kingdom confirmed in his view of the underlying friendship of the Canadian people not only to himself and his government but to the United Kingdom.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I am certain that the visit to Canada of Prime Minister Macmillan was welcomed by all Canadians, and we are pleased that the Prime Minister has given to the house today something of a report, in general terms, of the discussion that took place between him and Prime Minister Macmillan. However, I think it would be fair to say that there was very little new in the statement made by the Prime Minister.

Certainly many questions are left very much unanswered. Not only are we still uncertain as to what facilities Canada will have for the export of her products to the United Kingdom market in the future, but in my opinion we are also very much up in the air as to the policy of the Canadian government in relation to the inner six, the outer seven and the Atlantic free trade area. We naturally hope that in any new developments Canada's rights will remain unimpaired, but we view with some misgiving the fact that Canada has not enunciated a clear policy of her own.

The Prime Minister made a very general reference to NATO. I am not really sure what it meant. The effect of his remarks was that there should be a strong, flexible and understanding partnership. The whole question of nuclear weapons for NATO, the question of the Polaris missile and so on, are unanswered. The position of our group is clear. We feel it would be a mistake to provide nuclear weapons for NATO at this time.

Some hon. Members: Oh, oh.

Mr. Argue: The Canadian government has not made up its mind. The Leader of the Opposition went both ways. Hon. members may snicker, but at least we are able to say that we are opposed to nuclear weapons being placed in the hands of the NATO nations.

There was obviously no reference to economic development, because economic development under article 2 of the North Atlantic treaty is weak and almost forgotten. It is the O.E.C.D., the inner six, the outer seven and other means of bringing about economic cooperation which are now being put into effect in this field where NATO has failed.

The Prime Minister's reference to China and its possible admission to the United Nations at some future date was interesting but

not very informative or clear. I am not certain what the position of the government is. I would hope his statement means that Canada will play a part in promoting the admission of China to the United Nations, because without China as a member disarmament talks are less useful and in our judgment it is more difficult for the United Nations to carry on its very valuable functions.

A general reference was made to the West Indies. We hope that in the future there can be closer co-operation between Canada and the West Indies in the economic and political fields. We hope that our immigration policies in the future will be tailored in such a way as to remove discrimination in this area.

The Prime Minister also made some reference to the uranium contracts. We hope that Canada will stand firm and insist that the United Kingdom honour the contracts for the purchase of 12,000 tons of uranium. We hope that these contracts will be allocated in a fair and generous way and that Eldorado will receive its fair share along with other companies so that the uranium industry of Canada and the communities affected will be maintained with as little dislocation as possible.

Undoubtedly the consultation between the Prime Minister of Canada and the Prime Minister of the United Kingdom has been welcome. Nonetheless we are disappointed that the Prime Minister has not been able to report accomplishments arising from this conference in a more concrete fashion.

[*Later:*]

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I should like to ask the Prime Minister a question arising out of his statement. I understood him to say—and I think I can paraphrase this part fairly accurately—in connection with the uranium contracts that early meetings are anticipated when negotiations will be resumed. My question is this. Can he tell us, in a more precise way, when these meetings will take place? Second, will the meetings be between members of the government or between officials of the two agencies?

Mr. Diefenbaker: Mr. Speaker, I have not before me my exact remarks in that connection, but I thought I had said that negotiations would be continued rather than resumed, because they have been continuing. I may have used the word "resume". When I am in a position to do so I will make an announcement to the house—and I expect that will be very shortly—as to the membership of the Canadian group which I expect will go to London in the very near future. In that connection may I say that it might be only one person who will go or it might be several.

Mr. McIlraith: I wish to ask a supplementary question. There seems to be a little confusion arising out of something said in a committee in another place. I wonder whether the Prime Minister is now in a position to indicate whether these continued negotiations will be carried on between government members or between officials of the atomic energy agencies.

Mr. Diefenbaker: I have already pointed out that negotiations will be continued. In the past in general they have been negotiations between Eldorado and the atomic authority in the old country, with the Minister of Trade and Commerce participating or at least being made fully aware of what is going on. What the personnel will be of the continued negotiating group or who the one individual will be, if such should be the case, I am not in a position to say at this time.

Hon. Lionel Chevrier (Laurier): I wish to ask a further supplementary question apropos of the Prime Minister's statement a moment ago. The Prime Minister indicated that the relationship between the common market countries and the United Kingdom will take a long time to develop and mature. Then he added an expression of the concern of the Canadian government at the rearrangement which the United Kingdom might work out with common market countries. My question is this. Apart from O.E.C.D., what has Canada done to enter into negotiations with the common market and free trade area with a view to safeguarding our export position in Europe?

Mr. Diefenbaker: As a matter of fact, Mr. Speaker, as the hon. gentleman knows, this whole question has been discussed over a considerable period of time between the governments of Canada and the United Kingdom. When I said that the relationship between the Six and the Seven—now the Eight—would be a lengthy process, I think a reading of what I said will indicate that I stated that the establishment of an Atlantic community would be a long time process.

Mr. Chevrier: Apart from the relationship between Canada and the United Kingdom, has Canada approached the common market countries or the free trade area in connection with the formation of an Atlantic area?

Mr. Diefenbaker: I think the house has already had information in this regard. Discussions naturally are continuing with representatives of several, if not all, of the countries in question.

HEALTH AND WELFARE

ROYAL COMMISSION—INQUIRY AS TO PERSONNEL AND TERMS OF REFERENCE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he can indicate what progress, if any, has been made in setting up the royal commission on medical care.

Right Hon. J. G. Diefenbaker (Prime Minister): Very good progress has been made, and there should be an announcement shortly.

(Translation):

HOUSE OF COMMONS

SEATING PLAN PAMPHLET—COMPLAINT AS TO FRENCH VERSION

On the orders of the day:

Mr. J. N. Tremblay (Roberval): Mr. Speaker, I should like to put a question to the Secretary of State.

These last few days, visitors have been handed a folder containing, in addition to a diagram of the House of Commons, some information about the house itself and the procedure of the parliamentary institution. Since the French version is faulty and of a rather poor quality generally, I should like to know whether the minister has seen it and, if so, whether he intends to comment on this matter.

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I thank the hon. member for Roberval for giving me notice of his question and sending me a copy of the folder in question. Here is my reply.

I have read the folder in question with interest. Though I cannot claim to be a grammarian or a professor of literature, something which my hon. friend can do, I have noted certain expressions and phrases which he has drawn to my attention. While I am not scandalized, I recognize that those expressions and phrases appear questionable, to say the least. I therefore intend to submit the whole thing to the superintendent of the bureau for translations that any necessary correction may be made.

(Text):

LABOUR CONDITIONS

MOOSONEE, ONT.—WORKING CONDITIONS AT RADAR BASE

On the orders of the day:

Mr. M. W. Martin (Timmins): I should like to direct a question to the Minister of Labour.

Inquiries of the Ministry

Has the minister any report to make to the house on the recent investigation conducted by his officials into complaints about alleged working and living conditions at the Carter Construction Company at Moosonee?

Hon. Michael Starr (Minister of Labour): Yes, Mr. Speaker. I have received a report on this matter, and I shall be glad to convey that report to the hon. member if he is interested.

(Translation):

NATIONAL PARKS

QUEBEC—REPORTED STATEMENT BY PROVINCIAL MINISTER

On the orders of the day:

Mr. M. Deschambault (Terrebonne): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources.

Speaking on a bill concerning the Quebec tourist industry, the secretary of the province of Quebec made the following statement which appeared in this morning's papers:

> The Quebec government has approached the government in Ottawa concerning the establishment of a national park in Quebec.

Is the minister in a position to comment on that statement and tell us what could be the particular location of this park?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, the setting up of a national park in Quebec is a project that goes back to 1937.

I took it upon myself to resume the talks on this matter with the present prime minister of Quebec in November 1960. His colleague, the provincial secretary, has informed me several times of his intention to discuss the situation with me. I am at his disposal at all times for such discussions.

(Text):

ROYAL CANADIAN NAVY

INQUIRY AS TO CONTRACTS FOR SUBMARINE CONSTRUCTION

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Prime Minister. Has the government made a decision to award contracts for six submarines for the Royal Canadian Navy? If so, will the Prime Minister inform the house whether these contracts will be distributed among Canadian shipyards so the work will be shared by shipbuilding industries both in the west and in the east?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the latter portion of the question is not in keeping with the facts,

as no decision has been made by the government to purchase or build six or any number of submarines.

PUBLIC WORKS

REPORTED STATEMENT BY MINISTER OF NATIONAL REVENUE

On the orders of the day:

Mr. M. W. Martin (Timmins): I should like to direct a question to the Minister of National Revenue. The question arises out of a report appearing in this morning's *Globe and Mail* in which the minister is reported as saying, "We should have blue signs hanging over a job we pay for". Can the minister inform the house of the method by which only Tories are assessed to pay for these jobs?

Some hon. Members: Order.

AIR TRANSPORT

GOVERNMENT POLICY RESPECTING DOMESTIC ROUTES

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Transport arising out of a reported conflict between C.P.A. and T.C.A. over air routes in the future. Can the minister say whether there will be an air transport board hearing on this question, or whether the government has under consideration the submission by C.P.A. to change the government's policy in this regard?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, as far as internal transcontinental or regional air routes are concerned, these matters are dealt with by the air transport board. As far as international agreements in these matters are concerned, these are for cabinet decision. With regard to the particular case which the hon. member has brought to my attention, all I can say is that this matter of national air policy is one that is before cabinet at the present time for consideration.

SHIPPING

TRANSFER OF LAKE CARRIER TO WEST INDIES REGISTRY

On the orders of the day:

Mr. John Smith (Lincoln): Mr. Speaker, I should like to direct a question to the Minister of Transport with reference to a press report regarding the transfer of a large Canada Steamship Lines bulk lake carrier to British West Indies registry to save on taxes and operating costs.

[Mr. Diefenbaker.]

Will this ship be entitled to the same rights and privileges, under the Canada Shipping Act, as a ship of Canadian registry? More precisely, will this ship be able to pick up a cargo in one Canadian great lakes port and deliver it to another Canadian great lakes port? Will the sailors pay income tax to the Canadian government or to the British West Indies government if this ship continues to operate in Canadian inland waters?

Mr. Speaker: Order. Has the hon. member given notice of his question?

Mr. Smith (Lincoln): Yes, I have.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, if this ship is registered in Bermuda it will appear in the commonwealth registry and will be entitled to the rights and privileges of ships which carry that registry.

As far as the income tax of sailors aboard a ship of this nature is concerned, I think that question should be directed to my colleague the Minister of National Revenue.

INQUIRY AS TO ANNOUNCEMENT OF NEW POLICY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask a question of the Minister of Transport. In view of the statement the minister has made from time to time outside the house concerning amendments to the Canada Shipping Act and the vessel construction assistance act, may I ask when the new shipping policy will be announced in the house.

Hon. Leon Balcer (Minister of Transport): At this session, Mr. Speaker.

NATURAL RESOURCES

INQUIRY AS TO INVITATIONS TO CONFERENCE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Minister of Northern Affairs and National Resources a question relating to the resources for tomorrow conference, based on information I received yesterday that the largest labour group in central Canada, with a membership of many thousands of workers in this field, has received no invitation to participate either actively or as an observer at this important conference.

Would the minister indicate whether all the invitations have gone out, and which particular fields are being covered by the government and which by the provinces?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, the individual invitations to the various groups are being issued by the provincial

governments. If the hon. member will indicate which union is involved I shall be happy to investigate the matter.

POWER

YELLOWKNIFE—FRANCHISE TO PRIVATE COMPANY IN EDMONTON

On the orders of the day:

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): While I am on my feet perhaps I could reply to a question asked yesterday by the hon. member for Timmins (Mr. Martin). The hon. member asked whether I had received a communication from the Yellowknife miners union regarding the granting of a ten year power franchise by the municipal government of Yellowknife to a private company in Edmonton. I have investigated the matter, and have discovered that while no letter was directed to me personally, a copy of a letter that was sent to the hon. member for Mackenzie River (Mr. Hardie) arrived in my office during my absence in the territories last week.

In reply to the latter part of the question I should say that the handling of local franchises for the distribution of power in the Northwest Territories is a matter that comes under territorial and municipal jurisdiction, just as it comes under provincial and municipal jurisdiction in the provinces. I know from information given to me when I was in Yellowknife last week that the municipal council reviewed the franchise of the distributing company in the light of a report given to them by engineering consultants they retained. I would not want to comment on the action taken by the municipal council in a matter coming within its jurisdiction.

FINANCE

INQUIRY AS TO EXTENT OF EXPORT CREDITS

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, may I address a question to the Minister of Trade and Commerce. In view of the fact that I have not given him notice, would he inquire into and perhaps report to the house tomorrow on the volume of export credits which have been extended for the benefit of winter unemployment since the minister announced, on about November 25, that new facilities in this field would become available, with the co-operation of the chartered banks, that may involve assistance to the extent of $700 million.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I should be very glad to do that, but the formation of facilities to make these credits available was not linked with unemployment, as I remember it. It was a facility to enable exporters to more readily obtain orders in foreign countries.

GRAIN

BARLEY—INQUIRY AS TO FINAL PAYMENT

On the orders of the day:

Mr. C. O. Cooper (Rosetown-Biggar): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Some time ago an announcement was made with regard to pool payments. I understand that such a payment has been made in respect of wheat. May I ask the minister when the farmers can expect a payment for last year's crop in respect of barley?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I will have to take this question as notice.

(Translation):

TRANSPORT

RICHELIEU WATERWAY—FORMATION OF JOINT U.S.-CANADA COMMITTEE

On the orders of the day:

Mr. Maurice Johnson (Chambly-Rouville): Mr. Speaker, I have a question to put to the Minister of Transport. Has the minister examined the question I asked yesterday in the house concerning the Richelieu waterway and which, I am sure, was brought to his attention by the Minister of Trade and Commerce?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the Minister of Trade and Commerce has been good enough to hand me that question. After reading it however, I found that it concerned my colleague the Secretary of State for External Affairs.

(Text):

INQUIRY FOR RETURN

RED RIVER FLOOD CONTROL

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I could ask the Minister of Northern Affairs and National Resources whether he has secured permission from the government of Manitoba to table the correspondence which on March 27 the house ordered to be tabled with regard to the Red river floodway.

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, there has been no reply from the Manitoba government as yet.

Mr. Pickersgill: Is the minister aware that the premier of Manitoba has stated in the legislature that he cannot get any consent from the federal government, and could the minister say how long this game of hide and seek will go on?

SUPPLY

The house in committee of supply, Mr. Flynn in the chair.

The Chairman: We are dealing with the estimates of the Department of Agriculture, votes Nos. 36 and 21. These items will be found on pages 6 and 7 of the blue book, and the details are on pages 134 and 116. Shall vote 36 carry?

DEPARTMENT OF AGRICULTURE

Special—

36. Prairie Farm Assistance Act administration, $690,483.

Mr. Argue: Mr. Chairman, I wonder whether under this item I might ask the extent to which the Crop Insurance Act has been applied or is being used in the three prairie provinces. As the minister very well knows, whenever a grain producer or a farmer becomes eligible for crop insurance, or signs a crop insurance contract, he ceases to pay into the Prairie Farm Assistance Act. Therefore I think it would be in order under this item to ask to what extent farmers are no longer paying into the Prairie Farm Assistance Act because they have signed crop insurance contracts.

I wonder, also, whether the minister could briefly give the committee some indication of the extent to which crop insurance is being used in each of the three prairie provinces.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, the best figures I have are these; over 2,500 in Manitoba in the calendar year 1960, and I understand this figure is expected to double in 1961. In the province of Saskatchewan some 400 sent their cash deposits to the government, and a request has been received from that province to allow the setting up of special pilot schemes with less than 25 per cent of the farmers in the selected areas for this year only. This matter will be before the government shortly for a decision.

In so far as Alberta is concerned, there have been indications in the press that some thought is being given to crop insurance. I have had discussions with the minister of agriculture in British Columbia about crop insurance in the Okanagan valley. I have had discussions with the cabinet in Prince Edward Island about crop insurance relating to potatoes in that province. I believe there have been reports in the press that certain groups in Ontario are considering crop insurance in relation particularly to tobacco.

Mr. Nasserden: Under the cash advance legislation at the present time I believe that borrowers wishing to secure cash advances and unable to secure the endorsation of a landlord are unable to secure such advances. In some cases these people own land of their own, and I was wondering if new regulations could be brought in to enable such farmers to take advantage of these benefits with respect to the portion of land which they own.

Mr. Hamilton (Qu'Appelle): This is a question which has been before the department on several occasions. There are some difficulties, of course, as the hon. members knows, in arriving at a formula which would meet these conditions. I have discussed the matter with the heads of various farm organizations in the hope that we can arrive at some formula which will meet the needs of those who are concerned in this way.

(Translation):

Mr. Boulanger: Mr. Chairman, could the minister give us the details of the expenditures incurred for each province, under this item, in the course of last year?

(Text):

Mr. Hamilton (Qu'Appelle): The payments are not yet complete, but they are almost complete; there are just a few places still to be investigated. The totals up to April 5, 1961 are as follows: Manitoba, $649,537; Saskatchewan, $4,535,499; Alberta, $4,822,018; British Columbia, $90,035. Total for the four provinces under P.F.A.A., $10,097,000.

Mr. Argue: The Prairie Farm Assistance Act item which is before the committee now is an important one, and I think the statement the minister has made about the extent of crop insurance applications underlines the fact that crop insurance to date has been of very little real value. It certainly has not done a job for western producers in the crop insurance field in any way, and I think the results confirm the statements which were made by some of us on this side of the house that unless there is a major overhaul of the crop insurance legislation it is bound to remain ineffectual particularly in the higher risk areas of western Canada.

The minister has told us that last year 2,500 farmers had contracts in Manitoba and that this year perhaps 400 will have contracts in Saskatchewan, provided the government of which the hon. gentleman is a member decides to allow some pilot schemes in various parts of the province where fewer than 25 per cent of the farmers have signed crop insurance applications. Farmers in Alberta are

apparently not too interested in the legislation, because there is no scheme operating in that province at all.

If I remember correctly, the Canadian wheat board officials told us when they were before the agriculture committee that there are some 235,000 permit book holders in western Canada. So there are 235,000 farmers, and less than 3,000 of them have been covered by crop insurance. The best the minister could do today was to tell us that perhaps 5,000 or 6,000—2 per cent or 3 per cent of all the farmers in the prairie provinces—are going to avail themselves of crop insurance.

This government introduced the crop insurance scheme with a blaring of trumpets. This was to be another important plank in the magna carta for agriculture. Well, it is a pretty weak plank; very much of a sliver. It has been of a little use in Manitoba under particular conditions. In Saskatchewan, where I am informed the government, which has been promoting the scheme, sent out 40,000 application forms, the minister now says that 400 farmers have shown an interest. In other words, 1 per cent of the farmers receiving application forms have signed them and said they were interested.

Let us admit it; this is just a wee experimental project. This is not a system of crop insurance designed to protect western farmers. This is a little window dressing by the Conservative party with a few experimental projects under way. If I were in the position which the minister holds I would say that this scheme was a flop, a failure. It is not doing the job it was intended to do. I think I would be justified in using some of the strong language with regard to it which the hon. member for Swift Current-Maple Creek used so effectively and, I am sure, so accurately in connection with another matter. The farmers he represents are not interested in crop insurance. I am sure of that. Most of the farmers I represent are not interested in crop insurance under this half-baked scheme which was brought in without prior consultation with the provinces.

Mr. McIntosh: Would the hon. member permit a question? The hon. member says the Saskatchewan government sent out 40,000 application forms. Does he know into which areas in Saskatchewan these forms were sent; into the high premium areas of hail or into the low premium areas?

Mr. Argue: I am not completely acquainted with what has been done—

Mr. McIntosh: Then you have made an irresponsible statement.

Mr. Argue: Not at all. I am willing to give the hon. member my impression of what has been done there but I cannot guarantee its accuracy. My impression is that they were sent out to the low risk high yield areas and not to the high risk low yield areas. That is my impression although, as I say, I cannot guarantee the accuracy of it. I was reliably informed that there were 40,000 applications sent out. If the answer to the hon. member is correct then of course it means that the farmers who would be paying the small premiums rather than the larger ones would still not be interested in this scheme.

Mr. Cooper: Will the hon. member allow a question?

Mr. Argue: Certainly.

Mr. Cooper: Can you tell us how many municipalities applied that were turned down?

Mr. Argue: As I have said, I have no information in that regard, but the minister could give us that information. If the minister feels that the Saskatchewan government has not co-operated fully he can say so. I hope they have, and it is my impression that they have leaned over backward to try to get a crop insurance scheme working, and they are willing to co-operate.

I suggest that 20 per cent of the premium paid out of the national treasury is not enough. I remember how the Conservative members used to rip Jimmy Gardiner up and down the back and say he was a terrible minister of agriculture, but Jimmy Gardiner had legislation that functioned for many years. I refer to the Prairie Farm Assistance Act. Under that system the provincial government did not have to pay at all. Approximately half of the losses have been paid over the years by the federal treasury and half by the farmers.

Mr. Southam: Would the hon. member permit a question? Does the hon. member for Assiniboia realize that Mr. Brown, a member of the Saskatchewan legislative assembly, last year in that assembly advocated very strongly that the provincial government should bring in a practical type of crop insurance scheme, and thought the farmers themselves should be the ones to judge whether or not it worked?

Mr. Argue: I do not know what that question has to do with this discussion. It is about as far removed from the Prairie Farm Assistance Act as that man in orbit was a couple of days ago. One individual in the Saskatchewan legislature made a speech and I am now being asked about it.

The crop insurance scheme, as a comprehensive scheme to protect western grain growers or for that matter the potato growers

of Prince Edward Island or the apple producers in the Okanagan, is not working. This represents just a few pilot plans which are not producing many results. The reason is very obvious. The federal government is backing away from the kind of responsibility it accepted under the Prairie Farm Assistance Act. Under that act the federal government has been paying approximately 50 per cent of the losses, but under this scheme it is only prepared to pay 20 per cent of the premiums. They have scaled their responsibility down from 50 per cent to 20 per cent. One need not wonder why this does not work.

I suggest that the government should amend the Crop Insurance Act, and that its contribution should be increased at least to the 50 per cent level, the same level at which they were contributing under the Prairie Farm Assistance Act. I feel if that were done it would provide at least some incentive to farmers to sign up; because of the subsequent reduction in the premiums. This would provide a more realistic acceptance of responsibility by the federal government.

I have never been strong in my support of crop insurance schemes, as I think my record in the house will show. I remember reading a report put out by the late R. F. Motherwell—he was a good friend of my mine at the university who did not agree with me politically in any way—in which he made very comprehensive findings. I think the main conclusion of his study was that for a long time we should be operating under a general crop protection scheme such as the Prairie Farm Assistance Act, with very definite and decided improvements in its application.

I would not like anyone to say that I am against a crop insurance act. On the contrary, I am in favour of it; but I feel we should give the farmers the opportunity to say whether they are getting adequate protection rather than giving them this half-baked scheme which appeals to just a handful of farmers on the prairies.

I feel that the payments made under prairie farm assistance are inadequate and outdated. These payments have not kept up in any way, shape or form with the increase to farmers in the cost of production. If one compares the benefits under prairie farm assistance today with the benefits received when the act was first introduced in the 1930's one will see that there is no question but that the payments under prairie farm assistance have much lower purchasing power than they did when the scheme was first initiated.

The benefit of prairie farm assistance has been allowed to slip and wither away over the years. Some improvements have been made in the basis on which payments have been allocated. The hon. member for Swift Current-Maple Creek suggested yesterday that payments should be made on an individual basis. I have been advocating this policy for many years, but we have not succeeded in this regard. When I first came to parliament in 1945, 171 townships in Saskatchewan suffered crop failure. It was then declared a disaster area and the Prairie Farm Assistance Act began to function. As I understand it today, if one township is eligible then one half a township becomes an operating unit, and by splicing them to additional areas, smaller areas than half a township can be eligible.

Mr. Horner (Acadia): I think you will find that 12 sections is the size.

Mr. Speakman: Could the hon. member tell me which party brought this amendment into being?

Mr. Argue: There have been a great many amendments brought in over the years. Undoubtedly the Liberal party is responsible for more than the Conservative party, but it was here longer and had much greater opportunity to do so.

Mr. Pickersgill: This party was responsible for the legislation in the first place.

Mr. Argue: I think you are right. It was first introduced in 1939. I might say, however, that we have all had a hand in this.

Mr. Speakman: When were you in the government?

Mr. Argue: I have had a hand in many things even though I have not been in government. I remember when Jimmy Gardiner brought forward an amendment to the Prairie Farm Assistance Act, and he was so opposed to socialism that he said farmers operating on crown land would not be allowed assistance under the Prairie Farm Assistance Act. We had a difficult fight and it was hard going, but Jimmy pulled in his horns and decided he had gone a bit too far and gave the farmers operating on crown land a little better shake than he had initially intended to give them. He made some changes which I feel represented improvements to that act.

I suggest that it is now time to increase the payments under the Prairie Farm Assistance Act by a very substantial amount. If the payments were doubled the amount of money a farmer could receive as the result of a complete crop failure would not be a fantastic amount. It would be just $6 per acre providing his yield was less than three bushels per acre. We all realize that today, of course, with improved farming practices,

a yield of three bushels per acre is almost unheard of. Even with this proposed improvement a farmer with a crop failure, as defined in the act, would only receive a minimum guaranteed income. I feel there is room for both a crop insurance act and the Prairie Farm Assistance Act, but I suggest that it is now time to bring forward amendments to improve the application of these acts.

(Translation):

Mr. Pigeon: Mr. Chairman, I should like to put a question to the Minister of Agriculture. Has he had an official request from Quebec asking that the province take advantage of the crop insurance scheme implemented by the present government?

A great many farmers in the province of Quebec go in for special types of farming. In my own riding, for instance, it is tobacco farming. It would be of great interest to those farmers if the province of Quebec shared in this crop insurance scheme.

I should like to know whether the minister has received an official request from the provincial government.

(Text):

Mr. Hamilton (Qu'Appelle): No, Mr. Chairman. I should just like to say a word about the Prairie Farm Assistance Act and crop insurance as related subjects. The policy of the government is to keep both the P.F.A.A. and the new legislation, crop insurance, in effect side by side. The Prairie Farm Assistance Act is a type of special measure to help farmers at a minimum cost in case of a drought in their area. Crop insurance is an altogether different thing. It is a fund set up by the farmers themselves on an actuarial basis so the individual farmer may insure himself against all types of risks due to weather. The amount of coverage will be 60 per cent of the actual value of production in the area, and farmers will soon realize that, over a period of years, for every 80 cents they put in they will receive back a dollar. It is not a form of social welfare or relief whatsoever; it is an individual insurance scheme carried out on an individual basis and on a sound actuarial plan.

For my own part I think I can say that wherever information pro and con has been put before farmers and questions have been allowed to be asked and answers given, the farmers in every case have supported crop insurance.

I should like to put on the record some of the discussion on this matter that took place in the legislature of Manitoba, as reported in the *Hansard* of that legislature of March 7, 1961. It is in effect, I think, a reply to the hon. member for Assiniboia. These are quotations from a speech by Mr. Hutton, the minister of agriculture:

> The crop insurance program I would say, is a success in Manitoba in 1960, and indications are that it's going to be successful in 1961. We are enlarging two of the areas; another one will be set up; it will be announced in the house. We are extending crop insurance to the beet growers in Manitoba.

I am leaving out some interjections which I do not think add to or subtract from what the minister said. I continue:

> Our experiment has been confined to areas representing about 20 per cent of the province of Manitoba. We have learned a great deal; we have come a long way in terms of getting information. Sooner than you wish to think we'll be in a position to offer crop insurance to the whole province of Manitoba. I think they're going to find out that as we said here in Manitoba that it's an educational program.

Then he went on to discuss classification of land and that sort of thing in connection with the crop insurance program. If hon. members will read the press clippings across Canada they will see that in Prince Edward Island the government mentioned crop insurance in the speech from the throne and declared their intention of bringing in a scheme for tobacco and potatoes. If hon. members read the press clippings from Alberta they will see that the farm organizations, knowing of the existing federal legislation, are asking their government to take positive action to bring crop insurance to Alberta. If hon. members will talk to the fruit producers of the province of British Columbia, the minister of agriculture, or any of those other people who are definitely interested in crop insurance under the present set-up, they will see that the provinces are moving forward under crop insurance not only with respect to cereal crops in the three prairie provinces but also in the specialty crops all across Canada. I would predict that in the next few years every province in Canada, with the possible exception of Newfoundland, about which I am not too clear at the moment, will have crop insurance schemes, and as those schemes demonstrate their soundness on an actuarial basis they will spread to all regions of every province. I believe that before a decade is over hon. members will see crop insurance schemes widely in effect over all the agricultural areas of Canada. It is good legislation.

Mr. Horner (Acadia): I should like to make a few comments on this particular item. First, there has been some hold-up in the province of Alberta with respect to P.F.A.A. payments this year. I hope the department has got around this particular snag in the

administration of this part of the act and that the cheques will continue to go out to farmers in the east central part of Alberta particularly.

I should like to say I am disappointed that the Alberta government has not made some move to adopt a system of crop insurance. Certainly in the western part of Alberta, particularly, where there is a great threat of hail, the crop insurance plan envisioned by this government and passed in 1958 or 1959 would be of benefit to those farmers. It would at least reduce their losses considerably.

The hon. member for Assiniboia went to great lengths to explain his theory of prairie farm assistance. He also showed his ignorance of the legislation, which did not really surprise me but may have surprised some hon. members. He spoke about areas eligible to qualify and said that it was a township. Actually this has been reduced to 12 sections. If he cares to read his own remarks in *Hansard* of a couple of years ago, after this government amended the Prairie Farm Assistance Act to a considerable extent, he will find that he complimented the government for doing so. It was one of those rare occasions when the hon. member for Assiniboia found himself in an agreeable frame of mind. He complimented the government on bringing in the amendments and said he certainly thought they would do away with many of the complaints he had received with respect to prairie farm assistance at that time. Today he has made another request. He has said that the payments should be increased. This is an old story coming from him. He is continually wanting increased payments of one kind or another.

Mr. Argue: Hear, hear.

Mr. Horner (Acadia): But again he shows his ignorance of the operations of the Prairie Farm Assistance Act. He said the payments should be doubled; they should be increased to $6. If the payments were doubled they would be increased to $8.

Mr. Argue: The hon. member is right. I made a mistake; the lowest payment is $4 an acre.

Mr. Horner (Acadia): I compliment the hon. member on being in such an agreeable mood that he admits he made a mistake. I point out these two mistakes he made with regard to the Prairie Farm Assistance Act. I hope the committee will look at all his remarks in the way I have done and question every one of them and look for his errors in most of them. I can find some most of the time.

Under this item can the minister explain the significance of the section marked with an "(S)", where there is an increase of $6,800,000 in the amount of carrying costs of temporary wheat reserves?

(Translation):

Mr. Boulanger: Mr. Chairman, I did not catch the answer given by the Minister of Agriculture to the member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) who asked whether the Quebec government had requested that the province be allowed to take advantage of this legislation on crop insurance. I do not know whether the minister has answered that question—

Mr. Pigeon: He said no.

Mr. Boulanger: The minister said no. In that case, I ask him whether the government which preceded that of Mr. Lesage had made that request? I believe it did not, for the legislation could not be applied in the province of Quebec, as we pointed out to the minister while we were considering the measure. We had, however, submitted suggestions and proposals which were not agreed to.

That is why the province of Quebec is not interested, any more than Ontario and the eastern provinces are interested.

I am glad to hear the minister say that, within two years, the provinces will share in the crop insurance scheme. We are noting his words; they will remain graven in our memories and two years hence, we shall be happy to congratulate the minister if this legislation is implemented throughout Canada.

By the same token, I venture to predict that, unless the act is amended, there will be no possibility of applying it in eastern Canada.

(Text):

Mr. Denis: Mr. Chairman, with respect to the same subject, I should like the Minister of Agriculture to tell the committee how many provinces have taken advantage of this legislation. The act was passed about two years ago, and the government's contribution under the legislation has amounted to almost nothing because all it pays is 20 per cent of the premiums and half the cost of administration. It is only a matter of a loan to the province of up to 75 per cent of the amount if the loss is above $200,000, and if the loss is below $200,000 the federal government and the provincial government do not pay a cent. In addition, we know that at least 25 per cent of the farmers have to join in making an application under the crop insurance legislation, and the governments concerned will never pay more than 60 per cent of the loss. There are so many conditions to be fulfilled before the legislation can be taken advantage

of that I believe the hon. member for Drummond-Arthabaska is right when he says that ten years from now there will not be two provinces that will have taken advantage of it. I should like to know from the minister how many provinces now take advantage of this legislation, which has been in effect for two years.

(Translation):

Mr. Pigeon: Mr. Chairman, before we hear the comments of the Minister of Agriculture, may I be permitted to say that, while it is true that the Quebec government is not interested in coming under this crop insurance scheme, Quebec farmers, for their part, are indeed interested, especially those who go in for specialized farming; I refer to the people in my area who grow cigar, pipe and cigarette tobacco and who suffer considerable losses almost every year due to frost and drought.

I ask the provincial government to co-operate and to help those specialized growers of cigar, pipe and cigarette tobacco, especially so because the present government is not doing anything for specialized farmers. As a matter of fact, grants for the construction of greenhouses and driers have been abolished in Quebec. That is why I ask the Quebec government to co-operate with the federal government in helping out farmers who grow crops of that kind. It is high time the provincial government did something for Quebec farmers instead of discarding the policies adopted by the former provincial government.

Mr. Denis: Why didn't the hon. member for Joliette-L'Assomption-Montcalm speak along that line at the time his good friend, Mr. Barrette, was in power?

Mr. Pigeon: He was of greater assistance to cigarette, cigar and pipe tobacco producers than is the present provincial government.

Mr. Denis: Mr. Chairman, I never heard the hon. member for Joliette-L'Assomption-Montcalm speak on this subject before; he has been mute as a fish about it, although he had an interest in the matter because the Joliette area includes a large section where cigarette tobacco is grown.

The hon. member for Joliette-L'Assomption-Montcalm who, I think, has been parliamentary secretary to the minister who later became premier, was in a better position than anyone else here to urge the provincial government to meet with the federal authorities, to call personally upon 25 per cent of the cigarette tobacco growers to meet with Mr. Barrette—the close friend of the hon. member for Joliette-L'Assomption-Montcalm —and ask them to come to Ottawa to meet with the Minister of Agriculture. Since the latter is a friend of the hon. member for Joliette-L'Assomption-Montcalm, something might have been achieved. But he did not do anything. This legislation is hard or even impossible to apply and, as the hon. member for Joliette-L'Assomption-Montcalm has just personally admitted, if the provincial government does nothing about it, then it is up to the federal government to do something for the farmers.

If the hon. member for Joliette-L'Assomption-Montcalm reads the act, he will find that the federal government does not deal with individuals. And what about autonomy?

Mr. Pigeon: You do not know anything.

(Text):

Mr. Nasserden: Mr. Chairman, I think I should say a few words on the question of the Prairie Farm Assistance Act and crop insurance, after what has been said by the hon. member for Assiniboia. He made one statement that I think was quite factual, namely "I have never been too strongly in favour of crop insurance and my record shows it". I believe the government of the province of Saskatchewan can be looked upon in the same way. They were strongly in favour of crop insurance during the years when there was a Liberal government at Ottawa which did not bring such legislation before parliament. The government of that province changed its tune after we enacted crop insurance legislation.

The minister of agriculture of the province of Saskatchewan indicated last fall, when speaking to the delegates to the annual meeting of the Saskatchewan wheat pool, that the provincial government was not too interested in going ahead with the plan. About a week later he changed his mind and the statement was made that they would have proceeded with a scheme and would have proceeded sooner but the federal legislation had been passed too late for them to commence action prior to the end of the session of their legislature.

I have here some of the forms used in the province of Saskatchewan by the provincial government to promote, if you can call it promotion, a crop insurance plan there. First of all I want to say that in many areas of the province P.F.A.A. will continue to be the most effective instrument to ensure a reasonable standard of living for the people in those areas. However, there are other areas that have never been able to qualify under P.F.A.A., although in some cases farmers who

have suffered crop failures have had to contribute to the fund over a period of years through their sales of grain and the 1 per cent levy.

If you take some of the good townships in the northern part of my riding around Kinistino the cost of crop insurance is $1 per acre, of which amount the federal government is providing 20 cents. The saving on the P.F.A.A. levy on a 20-bushel crop is approximately 25 cents per acre. The hail insurance rate is around 30 cents, which makes a total of 55 cents. That leaves a balance of 25 cents per acre to be picked up by the farmers in order that they may enjoy an all-risk crop insurance plan. It is my belief that even on that basis it would be in the interests of many of them to come under this program and see if it will work to their advantage.

But the significant thing is that the province of Saskatchewan has not contributed a single cent to the crop insurance plan, although that government have advocated it almost since they first took office.

Mr. Argue: The province is paying half the administration costs.

Mr. Nasserden: Half the administration costs but no other charge whatsoever. I think that is one of the things the hon. member for Assiniboia should remember. After all, the provincial government has a responsibility in these areas and it is not assuming that responsibility today. It is my belief that the province can very well afford to pay 10 per cent of the cost, and I believe the balance of 15 cents per acre is an amount the farmers would be glad to pay in order to have crop insurance in the good crop areas of our province.

Mr. Argue: Mr. Chairman, the last speech we have heard underlines what has been a suspicion of mine all the time; that the members of the Conservative party in the house want to dump into the laps of the provinces the responsibility which the federal government accepted under P.F.A.A. The statement has been made that the provincial treasury of Saskatchewan should pay a certain proportion of the cost of the crop insurance plan, and this emphasizes exactly what some of us have been saying for many years. We think the Prairie Farm Assistance Act is the place where improvements should be made.

As has been pointed out, the largest payment that can be made under the act is $4 per acre with a yield up to three bushels per acre. I would ask the minister to tell us how many farmers received payments in the last year for which he has figures in each of the categories under the Prairie Farm Assistance Act. My impression is that a very tiny proportion of farmers received the largest payment.

[Mr. Nasserden.]

Therefore if one were to double the amount of payment a farmer who receives $2 an acre now on half the cultivated acreage up to 400 acres, or $400, would get $800 and this would still represent a small part of his general cost of production.

These payments would be higher than those for the lower yield categories. I suggest it is still a very small part or a relatively small proportion of the farmer's main operating expenses. I do not think that crop insurance should be loaded onto the provinces. I have no objection if a province wants to make a payment; that is fine. I think the Saskatchewan government has set up a reserve fund, in case of a widespread crop failure in which case funds would be made available by the provincial treasury.

Another thing the hon. member for Rosthern failed to point out is that under this scheme the provincial government sustains full liability for the losses. This government does not guarantee 20 per cent of the losses at all; it guarantees 20 per cent of the premiums. If there were one or two widespread crop failures in the early operation of a crop insurance scheme that was in general use, the liability for payments out of the provincial treasury would be of absolutely fantastic proportions. The province of Saskatchewan would go bankrupt if there were widespread crop failures, as there were in the thirties, and on the assumption that most of the farmers were in a crop insurance scheme. The provincial government has a definite commitment and a definite liability under the act as it has been drafted.

The Chairman: Shall vote 36 carry?

Mr. Regnier: I believe that Manitoba's crop insurance scheme worked very well last year. I understand that the number of those to be covered this year is going to be doubled. However, I should like to ask the minister whether the premiums charged by the province of Manitoba were sufficient to cover crop losses, how much the scheme has cost the federal government and how much it has cost the provincial government?

Mr. Hamilton (Qu'Appelle): While we are looking up the figures, Mr. Chairman, I should like to say briefly that last year was a fairly good crop year and the surplus on the basis of premiums was very large. If my memory serves me correctly, the losses were $92,000 and the premiums came to over $300,000. That is in a fairly good crop year. If that fund were to build up over a period of years the province of Manitoba plans to reduce the premium in order to keep it strictly on a cost basis and to give inducement to farmers to keep the act working well and not to abuse it.

I wonder whether I might correct a statement I made yesterday to the hon. member for Burnaby-Coquitlam when he asked about the number of townships where no P.F.A.A. had been paid. I said I did not have the figures but that if my memory served me from a discussion of some time ago, there was just a handful of those townships. We have been examining the figures more carefully overnight and the correct figures in the last 21 years are as follows. In Manitoba 63 townships had never received a payment. In Saskatchewan 17 had never received a payment. In Alberta the figure is 51. If those figures are added together, out of approximately 7,000 you get a total of 131 townships that have not received any payment in 21 years.

Mr. Nasserden: I never heard anything quite as ridiculous as the statement made by the hon. member for Assiniboia when he suggests that we double the levies for P.F.A.A. in order to double the payments.

Mr. Argue: I never said any such thing.

Mr. Nasserden: All that would do in the good crop areas in our province would be to make a farmer with a 20 bushel crop pay 50 cents for something that he could not get.

Mr. Argue: Speaking on the point of order, may I say that I made no such statement as that which the hon. member alleges I made.

Mr. Nasserden: The hon. member knows very well that if you double the payment you will have to double the levy. Where is the money going to come from otherwise?

Mr. Argue: They do not go together at all.

Mr. Nasserden: They certainly do go together. All I want to say further in that regard is this. Crop insurance and P.F.A.A. are two distinct things and they will serve people in distinct areas as well. I certainly think that trying to say they are both one and the same thing is not shedding any light on the subject.

Mr. Argue: I want to deny very definitely that I said the contributions of producers should be doubled. I made no such statement. I would ask the minister whether he can give the committee the number of farmers that received prairie farm assistance in the last year under the various yield categories?

Mr. Hamilton (Qu'Appelle): This is for the crop year 1960-61. From zero to three bushels, 2,515; from three bushels to five bushels, 5,226; from five bushels to eight bushels, 26,334; or a total of 34,077.

Mr. McIntosh: I should like to ask the minister a question on a different topic, if I may. I am aware that the minister has been plagued with many requests in regard to permit books. I wonder whether he has given any consideration to transferring the handling of permit books from the wheat board to P.F.A.A.? The reason I ask that question is this. I believe that the P.F.A.A. officials have more detailed information with regard to all the land on the prairie than have the officials of the wheat board and that it would be much easier for them with their set-up to look after the issuing of permit books.

Mr. Argue: I want to raise an objection to the statement that has been made by the hon. member for Swift Current-Maple Creek. I would think that this would be a very retrograde step. I think that the farmers have much greater faith and confidence in the wheat board officials than they have in the prairie farm assistance officials. The prairie farm assistance people in the past, under the Liberal government, were in the main only liberal Liberals. The ones I knew were Liberals and party hacks too. They picked up some dough from the P.F.A.A. and then when an election was on you were not sure whether they were travelling for P.F.A.A., Mr. Gardiner's department, or whether they were trying to elect some broken down Liberal candidate.

Some hon. Members: Oh, oh.

An hon. Member: It is different now.

Mr. Argue: Someone says that it is different now. Now they try to elect broken down Tory candidates.

An hon. Member: No such thing.

Mr. Drysdale: You will not get any broken down C.C.F.'ers.

Mr. Argue: I do not know what one might take from that statement.

Mr. Drysdale: The obvious logical conclusion.

Mr. Argue: I think it would be a mistake to take the issuance of permit books out of the hands of the wheat board and place it in the hands of the prairie farm assistance people in the provinces. I know of no farm organization that has asked for this to be done; at least I have not seen that they have asked for it. I can see no advantage that would come from it and I can see a great many disadvantages.

Mr. McIntosh: The hon. member for Assiniboia said he took exception to the statement I made. I do not see any exception. The appointments of the officials of the wheat board, P.F.R.A. and P.F.A.A. are all made by the same people and on the same basis.

Mr. Argue: That is news to me. I thought the wheat board appointed its own people and I believe that it does so. However, I think the minister is pretty much in control of the people appointed by P.F.A.A. However, I have much more confidence in the officials appointed by the Canadian wheat board because I think there is much less of partisan politics there than there is in P.F.A.A.

The Chairman: Shall vote 36 carry?

Mr. Pickersgill: If the hon. gentleman has something more on this vote he can go ahead because I was going to ask for the indulgence of the committee.

Mr. Nasserden: What is this item "appropriations not required for 1961-62" on page 8?

Mr. Benidickson: We have not yet come to that item. We have not yet passed this item, have we?

Mr. Hamilton (Qu'Appelle): No. That is statutory.

Mr. Benidickson: Mr. Chairman, I rise in connection with item No. 36, the administration of the Prairie Farm Assistance Act. I am rising basically on a question of privilege.

I wish to indicate to the committee the views of the Prime Minister when he sat on the opposition side of the house. I will quote just one short extract from *Hansard*. This extract is to be found at page 208 of *Hansard* for 1950.

Mr. Drysdale: Mr. Chairman, could we find out what is the question of privilege before the hon. member reads this extract?

Mr. Benidickson: I am referring to section 12 of the Prairie Farm Assistance Act.

Mr. Drysdale: Yes; but what about it?

Mr. Benidickson: I am coming to the point. The Prime Minister said:

> The attitude that an opposition is something to put up with on occasion is prevalent in some quarters.

Then he went on to say:

> If the cabinet is to be trusted; if we are to accept at face value what ministers say, then we had better all be absent from this house.

Then a little later on he said:

> I know that cabinets long in power tend to believe that they rule by divine right; I know that they do not welcome oppositions, but a one-party state is not a democratic state.

Since the new ministry came into office the rights of parliament have been noted and commented upon. I wish to quote briefly from the Victoria *Daily Times* of February 20, 1960. The title of the article is, "'Restoring' Parliament". The article reads:

> When the Conservatives—

[Mr. McIntosh.]

Mr. Drysdale: On a point of order, Mr. Chairman, the hon. member has so far not laid any basis for a question of privilege. He has merely read extracts from *Hansard*, and he now wants to read an article from a newspaper.

I think it is important that he should first lay the basis for his question of privilege, and if you rule that there is a question of privilege, the hon. member may proceed to take it up. The hon. member mentioned section 12 of the Prairie Farm Assistance Act, but then he read something that was said several years ago.

Mr. Benidickson: My question of privilege involves the obligation of the minister to provide all members of parliament, including those in the opposition, with information that is available to him in the form of an annual report.

I can sum up this editorial in one sentence. It says:

> Mr. Diefenbaker used to charge the Liberals with submerging the rights of parliament in a sea of autocracy.

On Tuesday night I raised a question in the estimates of the minister with respect to the vote concerning the board of grain commissioners for Canada. I say that it is not accidental that within a few hours of our disposing of that vote the minister tabled—as is indicated in *Votes and Proceedings* of yesterday—when our debate had concluded on Tuesday night, the annual report of the board of grain commissioners for Canada.

I say that it is another instance of arrogance to table this report only yesterday. I say that it cannot simply be a coincidence that this report dealing with the activities under the Prairie Farm Assistance Act is tabled in this way.

Mr. Boulanger: I have not yet received it.

Mr. Benidickson: It has not yet been distributed to our offices. Under our new rules which came into effect in 1955 it is possible for ministers to simply table these documents in the office of the Clerk of the house. Under the former practice the minister rose in his seat in the House of Commons and indicated to hon. members that he was submitting an annual report to parliament before the report went to the Clerk's office.

I have no quarrel with the procedure that was agreed to unanimously, as far as I remember, by all parties of the house in 1955 represented on the committee which dealt with the revision of parliamentary rules.

My point is that under the new procedure a delay of at least 24 hours develops before

documents of this kind are available to members of parliament. If tabled yesterday, the document would be known to be available only today.

I had an obligation this morning to prepare an address to a law students assembly at noon. The agricultural critic of our party has said he has not even received this document. I would not have received it if I had not been so distressed at the fact that the minister would so disregard us and treat us so lightly as to present yesterday the report of the board of grain commissioners, within hours after debate concluded on this item in the estimates, and took steps to secure a copy.

This report covers the year 1960. In other words, it is the most up-to-date information available to parliament for the year ending 1960. I therefore subsequently asked the distribution office for the latest available report on the activities under the Prairie Farm Assistance Act. I did not know what period this latest report would cover.

I have looked into the matter of the statutory obligations contained in section 12 of the Prairie Farm Assistance Act. I have not had much time for research into this matter, and I will therefore read from the revised statutes of 1952. If this section has been amended, the minister or his expert staff seated in front of him will of course inform me and correct me.

Section 12 of the Prairie Farm Assistance Act, as contained in the revised statutes of 1952, says:

> The minister shall, as soon as possible after the termination of each crop year, prepare an annual report in such form as the governor in council may prescribe, which report shall be laid before parliament.

I emphasize those words "as soon as possible". Is the minister going to tell us that this report of the board of grain commissioners was available only yesterday? The government leader of the house said last night that he did not think consideration of these estimates of the Department of Agriculture would take more than 10 or 15 minutes today. In other words, it would have been quite possible to have slid past the last report under the item we are discussing and have left hon. members of this committee in the dark as far as up-to-date information is concerned.

We thus have had two similar illustrations with respect to the Minister of Agriculture's estimates this year. As I recall it, we also had a similar affront and disregard of the rights of all members of parliament by this massive government majority. This is not the first time we have seen this disregard of the small opposition.

Mr. Drysdale: Oh, come now.

Mr. Benidickson: I am making this charge, and I am making it very seriously. We saw this disregard of the present small opposition in the first session of parliament after this government received this massive support.

Mr. Drysdale: By the people of Canada.

Mr. Benidickson: By the people of Canada, yes; but I remind you of what the Prime Minister of this country had to say about the rights of an opposition, no matter how small.

Mr. Pickersgill: When he was in opposition.

Mr. Benidickson: When he was in opposition. I have had only a few minutes to check this matter, but my recollection starts with the first session of this parliament. The first estimates passed in the House of Commons that session as I recall were the estimates of the Minister of Citizenship and Immigration. We spent several days discussing those estimates. In that case with too obvious stupidity the government did not delay even two or three days. I think on the day following the passing of all the hon. lady's departmental items the Minister of Citizenship and Immigration presented, in the manner I have indicated, the annual report for her department which report then became public.

On two occasions the Minister of Labour, in matters relating to information on unemployment has followed this practice. Within a day after he was no longer responsible to this house for debate and questioning he filed information that had also been asked for, I assume, by government backbenchers who are interested in unemployment, too. This information would have been as helpful to them as it was necessary to the opposition before the debate was concluded.

Last year, in connection with the Department of Agriculture again, I was interested in this matter and I recall—

The Chairman: Order.

Mr. Nasserden: Mr. Chairman, I think these remarks of the hon. member would be better stated at another time. The hon. member has strayed quite a way from the subject that is under consideration at this moment.

Mr. Benidickson: We have before us the estimates of the Department of Agriculture. I think the Minister of Agriculture is anxious to dispose of his estimates, as always are all ministers. I have not abused the privilege of criticizing his estimates. It is to my mind more than a coincidence to find this sort of thing happening again and again.

I would refer to another item from the same department. This incident occurred last year when the department was under the

former minister. We had a very important discussion about relief to the western grain growers for crops which had not been harvested and were left under the snow, and a bill was introduced to provide some relief under those circumstances. I took an active part in that debate. The hon. member for Bonavista-Twillingate as another former prairie dweller was equally interested. Indeed, he happened to be in Winnipeg during the debate and I remember that as my deskmate he told me when he came back that he had heard the minister of agriculture for the province of Manitoba say certain things with respect to the attitude of the provincial department of agriculture with regard to this emergency legislation for the prairie grain growers at that time.

The hon. member for Bonavista-Twillingate after his return immediately put on the order paper a request for the tabling of correspondence between the minister of agriculture in Manitoba and the federal Minister of Agriculture because, naturally, he wanted to ascertain whether the minister of agriculture in Manitoba was putting in writing and letting the federal Minister of Agriculture know the same views as he was voicing publicly in the legislature on the day the hon. member for Bonavista-Twillingate was in the gallery of the legislature. There was no particular shortage of time. My recollection is—and I think I am right because I made a note about it at the time—that again within hours after that debate was concluded the government tabled the correspondence between the two ministers. I say that certainly this provides no evidence of remedy relating to the hullabaloo which the Prime Minister of this country raised when he was in opposition, because I do not think that this ministry can give any examples of any similar disregard for parliament so blatant as those which I have just illustrated.

Mr. Argue: On the point of order, if I may say a word—

Mr. Hamilton (Qu'Appelle): I think I might be able to save a lot of time—

Mr. Argue: On the question which has been raised, I think the hon. member for Kenora-Rainy River is, generally, correct. I did not raise it yesterday although I was tempted to do so and perhaps I should have raised it.

An hon. Member: Too late.

Mr. Argue: I refer to the fact that the report of the board of grain commissioners was tabled after we had begun to discuss the item. I think this is a very bad practice. I think it is not only an unparliamentary practice but a somewhat cowardly practice not to make the report available to hon. members well in advance so that they can intelligently discuss the item involved instead of waiting until the item is called and then hurrying to table the report.

I do not want to put words which he did not use into the mouth of the hon. member for Kenora-Rainy River, but if I correctly interpret what he said he complained that the report relating to the Prairie Farm Assistance Act has been just tabled—

Mr. Benidickson: No. My information is that it was tabled yesterday.

Mr. Argue: For what year?

Mr. Benidickson: For the crop year ending 1959-60.

Mr. Argue: Well, I think the hon. gentleman is in error. I have here sessional paper No. 12, the report of the activities under the Prairie Farm Assistance Act for the crop year 1959-60 and according to the information on the front cover it was tabled on December 2, 1960, so I believe the hon. member for Kenora-Rainy River is in error as far as this publication is concerned. However, he was quite accurate as far as the report of the board of grain commissioners is concerned. The government is only half as bad as he has pointed out. But he still has a very good case.

Mr. Hamilton (Qu'Appelle): The hon. member for Assiniboia was hardly on a point of order but he has said what I was going to say, namely that the report in question was tabled several months ago. This can be confirmed by a study of *Votes and Proceedings*, for Friday, December 2. I will read it:

> By Mr. Hamilton (Qu'Appelle), a member of the Queen's privy council, —Report on activities under the Prairie Farm Assistance Act for the crop year, ended July 31, 1960, pursuant to section 12 of the said act, chapter 213, R.S.C. 1952.

However, I think there is a point in connection with the remarks of the hon. member for Kenora-Rainy River which has not been brought out. It is not a question of the department not fulfilling its functions under the legislation. That is done as rapidly as it can be done, because the machinery is all laid on. The trouble may be this, and it may apply to this matter of the report of the grain commissioners. There is a distribution list which was set up, I suppose, long before many of us came here, and the distribution list provides only 100 copies for the House of Commons. I think that what actually happens is that those responsible for the distribution presume that certain hon. members get these copies and others do not. I imagine, of course, copies will go to the library. But I can assure the committee that the minute the report of the board of grain commissioners came into my hands it was tabled. There were no

instructions on my part to delay it, because there is nothing in that report to cause embarrassment to anybody. However, I think that the hon. member possibly has a point, and I will look into it. As far as my department is concerned, if there is a limited distribution that may be what has caused the trouble.

Mr. Benidickson: I thank the minister for his statement, but that is not what caused my protest in so far as the annual report of the board of grain commissioners is concerned. The minister knows that on or before the day required by statute the department must file with the Clerk of the House of Commons a master copy of the report. That master copy, as indicated on page 433 of *Votes and Proceedings* of Wesdnesday, was only then filed. I will read the relevant entry:

By Mr. Hamilton (Qu'Appelle), a member of the Queen's privy council—Report for 1960 of the Board of Grain Commissioners for Canada.

That is quite irrespective of how many copies are available subsequently for distribution at the request of members who, having read that notice, wish to examine that particular document further. So, in particular, the explanation of the minister is invalid respecting the tabling officially and for the first time with the Clerk of the house of such a report. It was tabled within hours after we had let the minister off the hook in debate, as it were, on this item, having no further questions to ask on the board of grain commissioners—

Mr. Hamilton (Qu'Appelle): On a question of accuracy, Mr. Chairman, the hon. member has made a serious mistake here because the vote on the item concerning the board of grain commissioners was not taken until long after this document was tabled. The report was available in the committee. I saw several members with it in their possession and the statement which the hon. member has now made that first the item went through and then the report was tabled is not true.

Mr. Benidickson: I was in the committee all Tuesday night, and if one looks at *Hansard* one will find that the vote was carried and, subsequently, the following day, this report was tabled.

Mr. Hamilton (Qu'Appelle): No. I am sorry, but I must correct the hon. member. The vote was not carried Tuesday night. The chairman will be able to say exactly when it was carried, because he keeps a record. But if the hon. member examines *Hansard* he will find it was carried yesterday.

Mr. Benidickson: I recollect that now. I accept that.

Mr. Argue: Your batting average is not too good today.

Mr. Benidickson: My point is still valid. The only notice available to a member of the House of Commons that this report had been tabled would have been the receipt in his mail box today, Thursday, of yesterday's *Votes and Proceedings*. It would otherwise not be possible to know that this report was filed with the Clerk yesterday, the same day on which the debate was finished.

With respect to tabling the report under the Prairie Farm Assistance Act I simply want to repeat that I have been in my seat since 2.30 this afternoon. While here I sent for the last available report under the Prairie Farm Assistance Act. A note came back with the report to the effect that it was tabled yesterday. I excuse the staff completely because I am sure that the individuals concerned had in mind an inquiry I had made before coming to the chamber in respect of the other agricultural report, namely the report of Board of Grain Commissioners for Canada.

Mr. Pickersgill: Mr. Chairman, I would like to ask for the indulgence of the committee but if it is not forthcoming I will not proceed. I was not here yesterday when the minister was good enough to reply to an inquiry made in respect of the Fairford river development in Manitoba. There was one point in his answer about which I should like to have a little further elucidation. I understood from his answer that this work is being carried out by the government of Manitoba but the federal government is paying half the cost. Could the minister tell us whether this is being done under some general policy or whether it is an ad hoc arrangement in respect of this project alone? My recollection is that under the legislation that was previously in force there was a $37\frac{1}{2}$-$37\frac{1}{2}$-25 arrangement for the division of the cost of projects of this sort. I wonder if there is some new general policy, and I would like the minister to explain to what categories of project it would be applicable.

Mr. Hamilton (Qu'Appelle): For the last several years—at least five or six—a policy has been developing in regard to the Prairie Farm Rehabilitation Act where certain projects are carried out on a joint basis by the provincial and federal governments. The item to which the hon. member refers is included in item No. 33 but in the heading above it will be seen that this item includes the Prairie Farm Rehabilitation Act program, land protection and reclamation and development. This program has been evolving over a period of years, but this is part of the regular program.

Mr. Pickersgill: This is, in other words, applicable over the entire area covered by the Prairie Farm Rehabilitation Act for any project in which the federal government sees fit to participate?

Mr. Hamilton (Qu'Appelle): Yes, but in the case of Newfoundland we make grants to the government of that province, which looks after its own projects. I have forgotten the exact amount of the grant in respect of the bog land development.

Mr. Pickersgill: Is this a similar formula to that applied in respect of the maritime marshlands?

Mr. Hamilton (Qu'Appelle): No, it is a different operation entirely. This is a grant we have given in respect of bog land development and it happens to be included under this vote.

Mr. Benidickson: The minister was good enough to concede that reports of the kind to which I have referred should be tabled in the house as soon as available. I wonder whether he would make inquiries to find out when the printed report of the Board of Grain Commissioners for Canada was first made available by the Queen's printer, and endeavour in the future to see that this type of report is not simply tabled after the opportunity for debate has passed but as soon as possible.

Item agreed to.

21. Special grant to Pacific national exhibition, Vancouver, $200,000.

Mr. Drysdale: The minister indicated yesterday, as will be seen at page 3542 of *Hansard*, that he would be prepared to make some further comment in regard to this item. I believe the hon. member for Vancouver-Burrard also had some remarks to make in this regard.

Mr. Taylor: Mr. Chairman, I should like to say a few words about this particular grant.

Mr. Pickersgill: Does the minister now have three parliamentary secretaries?

Mr. Taylor: I would first like to say that this grant is most welcome to the people of Vancouver but it is unfortunate that Vancouver, at the present time, has no suitable coliseum. If it had I would certainly not comment in this vein today. The people of Vancouver urgently need a coliseum as well as a livestock building. However, under the present situation we will perhaps not get either.

I should like to refer to a letter which the minister sent me regarding this subject, because it pretty well sets out the objectives he has in mind in connection with the building. The minister stated in his letter of February 20, 1961, as follows:

> We have recognized that the accommodation for livestock at the P.N.E. is inadequate for an exhibition of its size and for the livestock which it attracts to its shows. This applies not only to the accommodation for cattle but, probably of greater importance, to the show ring and judging facilities. We have, therefore, undertaken to assist the exhibition to establish more adequate accommodation.

Mr. Chairman, obviously the minister had in mind adequate accommodation for a livestock show. Later in the letter he indicates how the building is to be financed through the provision, in these estimates, of the sum of $200,000. He further states in the letter as follows:

> I have heard that there has been some controversy in Vancouver in connection with a sports coliseum equipped with ice facilities. In the Department of Agriculture, obviously, we have no interest in a building for that purpose.
>
> —But any funds provided by this department would be devoted only to the needs of the livestock show.

I presume that the minister feels the contribution of $200,000 will be a major contribution toward the construction of a mink, cat and dog show building, but I wish to inform the minister that in actuality this money will be devoted to a livestock building with some 8,000 seats capable of being used mainly as a hockey arena. The minister has said that this building should be used primarily for agricultural purposes.

I am also informed that in 1959-60 there was a submission made by the Pacific national exhibition that this grant of $200,000 would be insufficient to construct the building.

On December 12, 1960 the minister replied to that submission, stating as follows:

> I am disturbed by the impression conveyed in the submission of September 12 that subsequent funds might be made available by the federal government to a total of $1 million.

If the Pacific national exhibition requires $1 million, and I suggest that it does, then that organization is not really building a livestock building but is building a large, needed coliseum. That is the point I wanted to put forward today. While the minister wants to help the people of Vancouver he really wants to contribute to the construction of a livestock building but he is actually contributing to the construction of a coliseum. Unfortunately we cannot agree in Vancouver as to where the coliseum should be built. If this must be tied to agriculture we will not have the coliseum we need and the building will not be placed where we want it.

The Pacific national exhibition board, and it is an excellent one, certainly has indicated in some of its directives what it proposed, and

this indication appears in some of its literature dated March 1 last where the following is stated:

> The second stage provided installation of an ice plant to serve hockey and other events as well as heating equipment for the building. The city was being asked to advance $280,000 in 1960 and a similar amount in 1961. The province would be asked to contribute a similar amount as the city. It was understood $280,000 will be forthcoming from the federal government, while the P.N.E. is putting up $450,000.

The mayor who presided over the affairs of Vancouver in 1958 wrote to us here in Ottawa about this proposed building, and no mention is made in his entire letter of any building being constructed for livestock purposes. The mayor of the day talks about a contribution of a million dollars toward a coliseum. In his letter he said:

> To assist in these considerations would you kindly advise if your government will still make the million dollar grant to the city for this coliseum, particularly if the project were developed in the downtown area, or would the former requirement still stand, i.e. the coliseum must be in conjunction with the operation of the exhibition.

From what I have said, after perusing some of the documents of the Pacific national exhibition and after giving consideration to the mayor's letter, it is obvious that the real requirement of the city at this time is a coliseum and not so much—although this is incidental—a livestock building. This impression is left most clearly when you peruse the many newspaper articles which have appeared over the last four or five years when consideration was given to this proposed building.

When I close my remarks I wonder whether the minister will indicate that in 1956 the federal government made an offer of $1 million to the Pacific national exhibition. If the offer was made, will the minister indicate who made the offer on behalf of the federal government and to whom was it made? I hope the minister realizes that a change has taken place in the situation since the federal offer, that is, the proposed offer, was made in 1956. At that time the government stipulated it could make a grant only to assist an agricultural fair, which tied the coliseum to the Pacific national exhibition grant. Since 1956 the voters have voted upon that issue and they rejected a million dollar bylaw to cover the city's share of a coliseum on the Pacific national exhibition ground. No longer can a coliseum be judged solely as an adjunct of an agricultural fair.

The building is needed today not only as a place for conventions and sports events but as a public works project, which is so much needed in the Vancouver area at the present time. I am not going to take up the time of the committee by referring to other newspaper articles, but I should like the minister to comment upon what was said by the hon. member for Burnaby-Richmond yesterday when he discussed whether this building could be erected in the downtown area, or whether a downtown coliseum could be used for agricultural purposes, just as much as one in the Pacific national exhibition ground, which obviously operates for only a short time in the year.

The other real point, Mr. Chairman, is the fact that the grant by the department at this time could make possible a proper building for proper purposes erected where the city desires to build it, and apparently that would be in the downtown area.

The courses open in connection with this much discussed building would be, (a) withhold the grant for the time being, a thing which obviously nobody wants because they need the money out there; or, (b) make the grant now, with the condition that no ice refrigeration be installed for five years, which would take the hockey element out of the building. If such a condition were attached then, of course, I feel that the proposed plans would be reduced considerably and immediately and we would then end up with a proper livestock building instead of ending up with a combined livestock and coliseum building, which will be too small and will not be where the people want it.

Another suggestion would be for the minister to consider making a matching grant with the Minister of Trade and Commerce of at least $1 million so that we could have a proper building for conventions, trade shows and agricultural events, and a building in which we could celebrate our birthday centennial in 1967. That is another course that is open.

There is a feeling that in 1956 an offer of $1 million was made. If that is true, then I presume the minister could once again make an offer on behalf of this government or, with the Minister of Trade and Commerce, he could make a grant available larger than this item of $200,000.

I also notice that there was an item in the estimates which indicated that the Canadian national exhibition was to receive a sum of $500,000 from the federal government during the present fiscal year. Therefore, it would appear that the minister has some discretion over the amount to be voted.

I think the minister is aware of the fact that the city of Vancouver owns the Pacific national exhibition, and it is the same city which proposed to erect a building either there or in the downtown area. If adequate funds were made available then, of course, we could have agricultural events take place in the building and other events could also take place there.

Probably the hon. member for Burnaby-Richmond will be asking some questions on the same item. I think I have covered the situation pretty well. I hope that the money can be made available and in the right quantity in order that we will end up with the right kind of building that is so badly needed in the area at this time.

Mr. Drysdale: Before the minister replies, I should like to make one or two remarks to supplement those already made by the hon. member for Vancouver-Burrard.

First, I should like to emphasize to the minister that we in the Vancouver area sincerely appreciate very much this $200,000 grant. I would emphasize that it is urgently needed at the present time for a show ring out at the Pacific national exhibition.

The point that I wish to bring to the minister's attention, and one which I think the hon. member for Vancouver-Burrard was trying to draw to his attention, is that in 1967 we shall be celebrating our centennial. I wonder whether the minister could give serious consideration to the addition of $800,000, perhaps by way of a supplementary estimate, to make up a $1 million grant to the Pacific national exhibiton.

I suggest that perhaps he could, as the hon. member for Vancouver-Burrard has said, also co-operate with the Department of Trade and Commerce and provide a further $1 million. Perhaps I seem a little bit generous in throwing around millions of dollars, but in item No. 36, which was just passed, we voted some $49 million for the storage of surplus grain. Over the years since 1956 some $200 million has been used for the storage of grain. Perhaps I could say in a humorous way that we would be prepared to have a building for at least the temporary storage of grain if we could participate in some of the moneys voted under item No. 36. But I would point out to the minister that the very progressive Minister of Trade and Commerce has already provided some $300,000 for the Seattle trade fair in 1961 and I have been particularly pleased with the progressive attitude that the new Minister of Agriculture has taken in trying to assist in agricultural matters. I feel that if he could produce this $1 million and make a start toward this agricultural building or agricultural coliseum, which would have a seating capacity of 15,000 and could be used for many other events, the minister would receive the gratitude both of myself and the people of Vancouver generally.

Mr. Hicks: Mr. Chairman, as a governor of the Pacific national exhibition I think it is my duty to say a word about this grant of $200,000. The grant was originally given for the purpose of assisting the livestock business of British Columbia and as the grant comes from the Department of Agriculture I presume it can be used only for exhibition purposes on the exhibition grounds. I do not think I have anything more to say about the matter. We all know there has been a controversy involving the businessmen of Vancouver with respect to having a coliseum in the centre of Vancouver rather than having a livestock building on the grounds of the Pacific national exhibition. To me it is absolutely ridiculous to talk about locating the coliseum in the centre of Vancouver and moving cows, horses, sheep, swine, chickens and everything to the centre of the city just because that is where the building is. After all is said and done, the Pacific national exhibition grounds are only two or three miles from the centre of Vancouver and I suggest that if there is too much controversy over this whole matter the minister may even change his mind and not provide a grant at all, which I hope will not happen.

Mr. Drysdale: Mr. Chairman, as found on page 3542 of *Hansard*, the minister indicated that he would make some further comment. I hope the item will not pass without the minister making some suitable comment, perhaps only to indicate that he is going to give us the $1 million.

Mr. Hamilton (Qu'Appelle): The minister is always very canny when local issues are being discussed. The last official word we had from the P.N.E. officials was in the latter part of February and they assured us that they had dropped all plans for ice facilities in the new building and that it would be devoted to the needs of the livestock industry.

Mr. Taylor: What date was that?

Mr. Hamilton (Qu'Appelle): The latter part of February.

Mr. Taylor: Mr. Chairman, so much has been said about the building that I wonder whether the minister would allow the P.N.E. to have the money to construct a building anywhere in the city of Vancouver, not necessarily on the exhibition grounds? We all know, for example, that McGill university is in downtown Montreal but I have noticed on my way into the city that the part of the university having to do with farming is located to the west of Montreal. If money were given to McGill I imagine that some part of it would find its way into the operation west of Montreal. The same thing could apply in this instance. We could have our livestock show downtown if necessary and we would all be happy.

Mr. Drysdale: On the last day this matter came up I asked the Minister of Agriculture if he could enlighten us with respect to the definition of exhibition grounds and I said that I hoped he would be able to inform himself on the matter during the intervening time. So that the point may be straightened out so far as the people of Vancouver are concerned, I ask the minister specifically whether or not the acquisition of land in downtown Vancouver for exhibition purposes would mean that that land would be considered part of the exhibition grounds? I think there is a general principle involved which would apply to many other cities. Would the minister be good enough to comment?

Mr. Hamilton (Qu'Appelle): The regulations for grants to exhibitions are under review and we took up the matter with the provincial ministers of agriculture at the agricultural ministers' conference. I should like to point out to hon. members that the grant to the Pacific national exhibition is completely outside the regulations. It is a special grant as a matter of grace and such grants go to very few exhibitions. It is being made in this case because the Pacific national exhibition has certain national characteristics. The only other exhibition that has qualified is the Royal at Toronto and I believe a similar grant has been proposed for another city. It is only when some national significance can be established that we give these special grants. So far as the location of buildings is concerned, all we are interested in is making sure that the purposes of agriculture are being advanced. We have no responsibility for athletics or public health.

Mr. Taylor: Could we have a further statement from the minister that he will at least make an effort to discuss a larger grant with the Minister of Trade and Commerce? I am completely satisfied at the present time that an ice plant is going to be installed in the building. I am not concerned about what was said in letters. I am satisfied there are going to be ice facilities so if we are going to have hockey in the building why can we not have trade and commerce activities too?

Item agreed to.

The Chairman: This completes the estimates of the Department of Agriculture.

POST OFFICE DEPARTMENT

308. Departmental administration including Canada's share of the upkeep of the international bureaux at Berne and Montevideo, $2,174,216.

Mr. Denis: Is the Postmaster General going to make a statement before we proceed with the items?

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, the greatest volume of postal business ever, the highest revenues in history, the most sweeping expansions in service to the public since 1867 and the boldest and most effective economy moves within the operational records of the department—this, in a nutshell, is the story of the postal service during the period between May 27, 1960, when I last presented the estimates of the Post Office Department for the consideration of the house, and the present.

During the last few years the volume of mail originating in Canada has spiralled upward in an apparently endless climb. When figures for this fiscal year are complete we will undoubtedly, for the first time in our history, top the four billion mark, or well over 200 pieces of mail for every man, woman and child in this country.

This staggering volume of mail is reflected in the department's revenues for the year 1960-61 which will top the $200 million mark for the first time in our history. When our figures are complete we expect to find we have incurred total expenditures in the neighbourhood of $209,500,000, thus showing a deficit on the year's operations of some $9 million. Since salary increases alone have cost us some $13½ million during the year, I feel that our financial record remains most satisfactory. In the year just starting we will have the benefit of increased revenue from parcel post rate changes and our overall operations should therefore again be approximately on the break-even basis which it is my policy to try to maintain.

As a basis of comparison, Mr. Chairman, I might say that in the United States the post office department reported a net deficit of $597.1 million for the fiscal year 1960. Its annual report noted that $6.8 billion of the $15.3 billion increase in the national debt which has occurred since 1946 has been caused by postal deficits alone. I do not propose to deal in any more detail with overall finances since the general figures I have quoted are all that are yet available for the year ended March 31, 1961, and those for the preceding year are given in detail in our published report which is available to each member of the house.

During the year we have accomplished some remarkable economies in the face of marked cost increases that are above and beyond our control. One of the most remarkable of these has been in our Christmas mail operations where I am pleased to report the first major operational breakthrough in streamlined mail handling, a breakthrough that resulted in savings to the department in excess of $800,000.

This tremendous saving has been accomplished in the face of a Christmas mail volume at least 5 per cent higher than that reported last year and despite the fact that no less than 10 new letter carrier offices have been added to the service in the past 12 months requiring a total of some 22,000 new Christmas man-hours in themselves.

In all, this year we cut our Christmas man-hours by some 115,000 over last year. These tremendous savings were accomplished by a combination of tight operational control and a simplified system of handling our Christmas card mail which we call terminal sortation.

Terminal sortation has gone hand in hand with a new system of separating first class mail from Christmas cards at the point where they first enter the mail stream. By a combination of these systems we have been able to provide service on regular mail during December that compares favourably with our standards for other months of the year. In short this past December we handled more mail, faster and at less cost than ever before in our history.

The steady increase in mail volume demands that we continue strenuous efforts to develop and perfect modern and effective mail handling techniques and equipment. One of our major projects in this field is the electronic-mechanical letter sortation system, the experimental model of which is being developed by the post office with the assistance of Canadair Limited in Montreal. We are at a crucial point in this development, for this ultra modern system has now reached the point of operational tests and is actually sorting regular mail for the Montreal post office.

Since this equipment is radically different from anything previously developed for postal purposes anywhere in the world, our present studies will provide the first practical figures for performance characteristics and output of such equipment. I can report that while the accuracy of the sorting system seems excellent, its reliability for continuing performance without mechanical or electronic failure is not as yet satisfactory and our tests indicate that some substantial additional work will be required on certain components.

Before proceeding with this project on any extended basis it is our intention to relate the information we have now obtained with certain other studies of a systems nature; based on the results we will decide the direction of our further advance.

There can be no doubt that during the past year we have made more progress than at any other time toward the ultimate production of an electronic-mechanical letter sortation system. It is frustrating not to have shiny new batteries of such machines already installed in major Canadian post offices, but no other nation has reached this point because of the problems involved; and our system of advancing only as rapidly as we can be certain of the correctness of our advance undoubtedly gives the taxpayer far better value for every dollar spent than does any other method.

For example, our mailmobile system has proved its worth on a trial basis with only a limited number of machines, but the trials also demonstrated the need for a more rugged type of vehicle to meet the unusually difficult conditions of mail delivery. Sixteen machines manufactured by the builders of the famous "jeep" have been placed in service for test purposes along these lines.

Again, the experimental group of plastic letter boxes we tried out demonstrated that the material was completely satisfactory but that certain design changes were required and these are now being made before we proceed. In other words, we test and we determine what is right before we expend the taxpayers' money in large sums in fields where we are not absolutely certain of our position.

With respect to machinery and equipment of a highly advanced nature which is sufficiently proven to justify installation for regular use, we are engaged in a steady program of planning and development designed to improve the capacity of our existing buildings and to add new space to house such machinery. One such item will be a new chain type conveyor scheduled for the new wing of the Hamilton, Ontario post office which will permit mail bags and other loads to be moved at steep angles and guided and controlled by preset remote direction. The new building at Quebec and the new wing at Halifax will contain revolutionary new conveyor systems capable of lifting mail vertically on a continuous basis. They are the first such developments in this country and among the first on the continent. We will be installing at Winnipeg early next year a complex new mail segregator which will for the first time use electronic-mechanical techniques to perform automatically one of the most tiresome and time consuming chores presently performed by hand in post offices.

One tiny item that will nevertheless be of interest to anyone who has ever struggled and tried to write with post office pens is that we are trying a second experiment in the use of ball point pens in 14 of our major post offices. We also have ready for installation 300 of our electric stamp vending machines to which I referred last year and which

operate merely by dropping in the quarter without any further effort being required on the part of the patron. These machines will be in use shortly right across Canada in our post offices and other locations.

The handling of the mails within post offices is only part of the over-all job of communication which the post office must undertake. The other basic problem in postal services is transportation, and in this field we have made some of the most interesting and potentially important experiments of the year. One of the most intriguing has been our testing of "piggy-back" mail services which allow us to combine the best features of railway transportation and highway transportation in the swift movement of the mails. It is as yet too early to evaluate fully the results of these tests but it is apparent that the system offers some unique solutions to mail transport problems. Piggy-back services are designed primarily, of course, for the movement of second, third and fourth class mail, since the bulk of our first class letter mail travels by air.

As the number of trains available for the conveyance of mail continues to decline, the volume of mail handled by rail continues to increase, especially between the larger cities and on transcontinental services for whenever it has been possible to do so, we have continued to make use of the railways. In many cases we have made complicated adjustments in order to preserve a traditional railway link. A recent example is the change in service on trains five and six between Truro and Sydney, Nova Scotia. I think it is fair to say that without the determined co-operation of the post office in working out methods of handling mail on a difficult and more complex new schedule, the railway would have been forced to discontinue this line, and this action could have been a serious blow to the entire Cape Breton area.

We have, however, frequently been forced to accept alternative methods of transportation when existing rail links were terminated or reduced to the point where they no longer provided an acceptable service for the transportation of the mails. One such alternative is highway transport. In the last year we added no less than 53 new highway services, and made extensions in 46 existing routes. In addition, another eight routes have been approved and will be going into service shortly and five other routes are being seriously considered.

The final stage in the handling of mail is delivery to the patron. In rural areas during the past year 98 new rural routes have either been established or are authorized and will shortly go into service while 1,157 extensions have been made to existing routes.

Newfoundland, with its rural population largely stretched along the coast, has always presented a special problem for rural mail delivery. We have made a special study of this problem and have developed a plan by which group mail boxes can be introduced in certain areas. This year we have also inaugurated in the Avalon peninsula two rural routes, the first in the history of Newfoundland.

In urban areas the establishment of letter carrier service is often regarded by a community as a sign of growth and maturity, and during the past year more Canadian communities achieved this status than ever before save for one post-war year which followed four years completely barren of such inaugurations.

Letter carrier services were established in 11 new communities during the past fiscal year and 32,678 new calls were thus added. It is difficult to keep right up to date in this rapidly moving field but for the 11 months which ended in February of 1961, the department added door to door delivery to no less than 139,437 householders between new communities and additions to existing services. At March 31, 1961, there were 2,877,131 calls being carried out by Canadian postmen every day. This is, again, another all time high.

During 1960 we adopted a new policy in regard to business calls on mixed walks whereby we would spread the calls in a concentrated area over a larger number of walks. We have set up 223 walks under this new procedure, and this has resulted in a much earlier delivery of mail to most of the business calls in the areas where the change was made. It is also interesting to note that by this change we were able to provide approximately 5,000 additional firms with a second delivery, whereas previously they had received only one delivery each day. At the moment something closely approaching 100,000 business firms and locations are receiving two mail deliveries, or better, each day.

As you may imagine, this procedure has been reflected in a marked reduction in the number of complaints received from business concerns relative to the late delivery of their mail. I refer to complaints, because the Post Office Department is meticulous in their handling of complaints and, in addition, in following up each inquiry very carefully. I have always felt that the number of complaints we receive, in relation to the volume of mail we handle, is one of the best possible measures of whether or not our service is generally improving. The figure continues to drop, indicating beyond any doubt improvements in our service.

For the year ended March 31, 1957, the last full year of post office administration under

the previous Liberal government, the department received 123 complaints for each million pieces of mail handled. In 1958, with nine months of Conservative administration, the figure dropped to 112 complaints per million pieces; in 1959, with a full year of Conservative administration, to 106; and in 1960 to 101. For the fiscal year just ended we estimate a maximum of 94 complaints for each million pieces handled. This compares with 123 complaints for each million pieces handled in the last year of the previous administration.

I say, with all due modesty, that I think it is a remarkable achievement. I hope my critics from the official opposition in this committee, when they pick away at items of post office administration, will always remember that whereas in the last year they ran the post office they were receiving 123 complaints for every million pieces of mail handled, we are now receiving only 94 complaints for every million pieces. There is no better measure available of the progress that has been made in the administration and efficiency of this department.

Mr. Deschatelets: What about the deficit?

Mr. Hamilton (Notre Dame de Grace): I have dealt with that, and you can ask me any questions you wish afterwards.

As our urban populations continue to increase we are faced with a new problem of providing adequate service to communities within communities, to the almost self-contained suburbs, many of which have populations as large or larger than some of our established cities.

One solution to this problem has been the increasing use of postal stations and letter carrier depots scattered at strategic points throughout the cities. During the last year we set in operation no less than 11 new postal stations and letter carrier depots which is, so far as we can judge, the greatest expansion in this type of service in the department's recent history. For the four-year period from 1957 to the present we opened more than twice as many of these stations as during the four-year period from 1953 to 1957.

Speaking of records, the Canadian postal service set another record last October when we established no less than eight new letter carrier services in the same month, bringing some 23,320 new householders under our door-to-door delivery system. No other single month, since the establishment of the letter carrier service in 1874, has seen such a sweeping advance in this field, and no other period within the records of the postal service compares with the last three years, when some 18 communities were added to the list receiving door-to-door mail delivery.

Another additional service for our patrons has been the extension of our, I think I will call it optional additional delivery service on undelivered parcels, other items such as registered mail and the small parcels handled by letter carriers. Previously, when such items could not be delivered in a stated number of calls, they were returned to the post office and the patron had no option but to call for them there. This system is still in effect for those who wish it, but in addition, if a patron wishes, arrangements can be made by telephone for the item to be delivered on a specific day for a charge of 25 cents. This has proved popular right across the country wherever it has been introduced.

Mr. Denis: Of course.

Mr. Hamilton (Notre Dame de Grace): In passing, Mr. Chairman, I might just make reference to a little booklet entitled "Letter Perfect" which was recently issued by the department. I have been surprised and delighted with the response this booklet has received all across Canada from the people to whom it has been sent, who constitute a fairly extensive list. For efficient operation our department depends to a very great extent on public understanding of our way of operation, and until recently there was nothing we could give the public which gave them a general view of the post office and its operations. This booklet fills in that blank spot. As I say, its worth and value has been proved beyond any measure by the reaction it has received right across Canada.

The preceding year has been a significant one for postal employees as well as for the Post Office Department itself. Last July salary increases totalling more than $7,300,000 were granted to 15,758 postal clerks, letter carriers, mail handlers and dispatchers. In August comparable increases totalling some $2,600,000 anually were granted to some 14,000 revenue and semi-staff postmasters and other employees. These two items, along with salary adjustments to professional and executive personnel, have added some $13½ million annually to the costs of the department.

An increase in salary, of course, always tends to improve the relationship between employer and employee, but I can assure the committee that other and equally positive steps were taken this year to improve and consolidate our relations with our employees.

Probably the most significant of these was the establishment of the joint post office-Canadian postal employees committee which has provided a regular and effective channel of liaison between our employees and management. The measure of the effectiveness of the functioning of this committee and its success is testified to by Mr. J. E. Roberts,

general secretary-treasurer of the Canadian postal employees association. Writing in the Christmas issue of the *Postal Tribune*, the official journal of the association, Mr. Roberts had this to say:

> The most important step was the establishment of the C.P.E.-P.O. committee, and the results have exceeded all expectations.

At this point I should like to place on record my considered view that the men and women of the postal service are without peers in efficiency, loyalty and devotion to their work. I should like to record my appreciation for their loyalty and service.

It is a remarkable thing, in these times of changing values and growing materialism, to find so large a group so dedicated in their loyalty to the service. To many the words "loyalty" and "service" may seem anachronisms, but in the post office they are still very real and very important.

I have always been conscious of this attitude and I have always been grateful for the opportunity that has been afforded me, as Postmaster General, to be a part of the organization that draws to itself people who set and maintain such high standards for themselves in their work.

During the year we continued our stated policy of producing a limited number of special commemorative stamps which we felt signified events of real national importance. During the year we produced stamps commemorating the 50th anniversary of the Canadian Girl Guide movement, the historic battle of the Long Sault, the centennial of the birth of E. Pauline Johnson, the Indian poetess, and marking the tremendous strides achieved in the development of the north under this government.

The Des Ormeaux stamp, by the way, won first place in the annual "ten best" list published by the stamp collector's annual of London, England. The award was presented to this Canadian issue from among the thousand or more commemorative stamps published by all countries during the year.

I might note that this is the second year in a row that a Canadian stamp has made the "ten best" list. Last year our "plains of Abraham" commemorative stamp won a place on the list and also received the accolade as "best stamp of the year by a commonwealth country".

I do not ever remember this having been achieved by the previous administration, and I should like to set this achievement alongside the continual carping criticism made, stamp by stamp of the various designs we have issued, by my critic in the official opposition and tell him that no matter what his opinion is, in the opinion of experts Canada's stamps are worthy of being acclaimed internationally.

As I indicated last year, we are pressing forward with plans for a new general issue series of stamps, and at the moment we are studying a number of suggested designs. These stamps will continue to reflect our allegiance to the crown through the portrait of Her Majesty, but will incorporate as a minor element a design or symbol telling something of Canada. It is our hope that the first of this new series will be available before the end of this year.

Also in the field of postage stamps we shall be introducing this fall for regular sale $1 package of stamps sealed in transparent envelopes. These will be specially useful for people who like to keep stamps in their pocket or purse. To the best of my knowledge these new packages have not been attempted anywhere in the world, and represent an advance entirely Canadian in design and production.

This year I was forced to announce the first revision in parcel post rates in ten years. This adjustment was made necessary in order to offset heavy operating deficits in the carriage of parcel post. I should note that parcel post is still by far the most inexpensive method of parcel shipment available in Canada and that the rate increase which went into effect March 1 is in contrast with five separate increases announced over the past ten years by competing services.

I know the hon. member for St. Denis takes a special interest in robberies of post offices and of post office vehicles. In the face of a general upswing of crime across Canada during 1960 which reached as high as 30 per cent in some areas, the post office record shows an actual improvement since 1959.

This record reflects the improved security of our buildings, the added protective equipment such as walk-in vaults and safes with burglarproof chests, additional installations of burglar alarms and more efficient methods of handling post office cash and postal values. These measures, together with additional use of security transfer services and night depository services, have accounted for a reduction in the number of post office burglaries.

During the past fiscal year there were 295 post office break-ins compared with 366 for the same period during the preceding year. For the first 11 months of the fiscal year, the latest figures I have show that cash and postage supply losses had dropped from $162,430 to $92,403.

Early in the year, a committee of senior officers representing the several branches at headquarters concerned with motor vehicle

security was formed and set into action. Since that time, although the number of holdups and thefts from post office vehicles is unchanged at 14, this year only seven offences resulted in the loss of public funds or postal values, compared with ten the preceding year.

During the fall of 1960 there was a flurry of street letter box thefts, and the number of attempts on letter boxes and relay boxes increased from 122 to 188 last year. We have now taken steps to improve security with regard to these boxes. In addition to removing the repair of mail receptacles from the penal institutions where this work has been done for more than half a century—a period which, of course, includes the entire regime of the preceding administration—we have publicized offers of rewards up to $2,000 for information leading to the arrest and conviction of persons committing various types of offence against the post office and the mail it carries.

I might emphasize here that we are dependent in so much of our activity on public co-operation and public help. We hope that these reward offers will attract public attention to the contribution they can make in dealing with these offences by making available to the department any information which they think might help us to deal with particular offences.

In addition to these steps, we are moving to increase and strengthen the staffs of our investigations and protection agencies in the field. We are acutely aware of the problems involved, and acutely aware of our responsibility to protect the mails that have been entrusted to us. In a time of increasing crime and violence, I believe our record has been consistently good. We are striving to make it better.

On the international scene, the Canada post office took advantage of the introduction of trans-Atlantic jet aircraft to offer a swifter regular air mail service to the United Kingdom and continental Europe. This tended to increase the popularity of air mail to overseas points in relation to surface mails. During the calendar year 1960, 1,034,801 pounds of international letter mail was conveyed by air as compared with 848,366 pounds conveyed by surface means, a 22 per cent differential in favour of the swifter aerial route.

Since I dealt at some length with the new Canada-United States postal agreement on March 15 in this chamber I shall not go beyond noting it at this time so that I shall not be accused of having overlooked it.

In the face of great new challenges, I believe the postal service has acquitted itself well. Today, as I report to this committee, the Canada post office is functioning, I believe, with an efficiency never dreamed of a few years ago. It is meeting challenges never anticipated in the last decade, and it is successfully overcoming them to maintain its high and envied place among the most effective and most efficient postal services of the world. I would just add the final word that in these circumstances we do not consider that "Denis" is any menace.

(Translation):

Mr. Denis: Mr. Chairman, I must thank the Postmaster General (Mr. Hamilton) for his brilliant statement. As usual, he has shown great talent for taking credit for the work done by the officials of his department. Yet the credit goes solely and exclusively to the employees of the post office.

He has also shown skill in disguising the wrongs for which he is personally responsible. The evils of his administration have been dressed up as virtues. When a figure is too high to be revealed to the public, he expresses it as a ratio and that is that.

He has not changed since a few years ago, when he used to make similar statements. He has taken credit for things he has not done, and has tried to justify his poor administration.

The minister reminds me of a type of bird known as the German sparrow, which uses the nests of other birds but never builds any himself.

I have been following the minister's remarks closely. A large portion of his statement was devoted to automatic devices, electronic machines, etc. He discussed the experiments which have been conducted so far, and I think he has been at the experimental stage for at least three years. If this goes on, I am afraid he will soon be overcome by his own party, because just recently, the Prime Minister stated at a Conservative rally, of course: "The experimental stage is over; we will now roll up our sleeves and prepare for the next elections." So I suggest that the minister get cracking if he wants to keep up with his colleagues.

Mr. Chairman, the minister said not a word about achievements coming under his jurisdiction. He made mountains out of mole hills. He talked about service expansion, something which is quite normal, resulting as it does from the population increase and the growth of new communities. All those services which have expanded during the past year under his administration are services

that normally grow every year, as they did under the previous administration. In fact, I intend to prove this assertion a bit later.

Mr. Chairman, the minister was very careful not to mention the famous promises he used to make when he sat in the opposition. As far as he is concerned, all that is gone and forgotten.

For instance, he does not remember promising two mail deliveries a day. Naturally nothing has been done in that connection. The minister had also promised that the R.C.M.P. would investigate post office thefts, and had stated that this police force would protect the post offices. Yet no action has been taken in that respect.

The minister had promised to balance his department's budget. When he showed a deficit, he said it was fine. Last year, he came up with a surplus and used the word "tremendous". This year, he reports a $9 million deficit and calls the achievement outstanding. Whatever the situation, whether there is a deficit or a surplus, the minister is completely satisfied. Yet, when the Liberal party was in office, he would cry shame whenever the then postmaster general announced a profit.

When, unfortunately, there was a slight deficit in the past, the present Postmaster General hastened to explain that his predecessor had made a mistake. But when the present minister announces a deficit, it is a remarkable achievement, rather like a success.

Under the Liberal administration, it was considered a serious mistake, but not any more.

Postal workers are ill-treated by the present administration. They have been constantly complaining at many meetings. When it was decided to raise their salaries, it was done by groups, by classes, and there was no retroactivity. Since then, other meetings were held where complaints were voiced against salary adjustments that are not considered satisfactory.

Patrons, since that is what we are being called now, experience delays in the mail delivery. The situation is the same today as it was before, if not worse. I can prove this point.

As far as patronage is concerned, I must say that the minister has dismissed more people than ever. This is another point that can be easily proved.

Not only what he termed the extravagance of the former government was not corrected, but it has grown worse.

If we look at the estimates, we note unjustifiable discrepancies. How is it that in 1960 the estimates showed a $1.8 million surplus while in 1961 they show a $9 million deficit? Does he follow in that field the policy of the government, whose estimates have proven to be wrong?

There is some confusion here in the conception of budgeting, Mr. Chairman. One budget is a $9 million deficit, and it is an achievement. Another one shows a $1 million surplus, and it is still an achievement. One can't make head or tail of it.

On the whole, I believe that the minister, instead of being of assistance to the normal operation of the department, has hindered it. I offer him this advice, given to young doctors before they go into practice:

Primo non nocere. (First, cause no harm.)

I advise therefore the minister not to cause any harm. If he wants to figure out the weight of parcel post items compared to that of diesel engines, that is his business, since he seems to like adding up figures. If he wants to figure out the piling of postal parcels and strike a comparison with Mount Everest, that is his business. But he should not disturb his employees. They are more efficient when they are left undisturbed.

The hon. minister knows that a Russian, Gagarin, has just completed a full circle around the earth. He is quite at liberty, if he so wishes, to compare that distance with that covered by his letter carriers.

With regard to the estimates, it must be said that we are dealing here with a minister who is a spendthrift and an expensive one. As a matter of fact, estimates are increasing by the year.

In 1957, estimates had decreased by $1.2 million. As soon as he arrived, they increased by $11.1 million. In 1959, they were raised by $5.7 million, by $1.1 million in 1960 and $5.6 million in 1961.

For 1961-62, they go up again by $1.1 million. To that must be added the supplementary estimates passed recently, that is $1.2 million.

But that is not all. Income has also increased by $5.2 million in 1958, $4.4 million in 1959, $1.6 million in 1960 and $2.1 million in 1961.

What did he do with that money? How did he spend the money we voted him and the money he collected?

Receipts and appropriations gave him a total of $20 million more to spend in 1958 and $11.7 million more in 1959. The amount for 1960 has not been given, but I am sure it was even higher.

Should we blame the deficit on the wage increases? The minister should be careful here, because operation increases include the wage item.

In 1958, that item increased by only $5.2 million when he secured an additional 20 million in revenue and appropriations. In 1959, salaries account for no more than 4.4 million while the estimates and receipts went up by 11.7 million. It was the same story in 1960 when salaries increased by 1.6 million while he secured 11 million more than the previous year. Therefore salaries do not account for the deficits he is showing now.

Where there is evidence of extravagance, however, is in travelling expenses. The hon. minister is a great traveller. Yet, he pours out thousands of dollars in advertising, urging people to write and to write often; as for the minister himself, he does not do any writing. He and his officials go travelling. As a matter of fact, in 1957, when he came into office, travelling expenses were $337,000 but today they are up to $482,000, a 50 per cent increase. Then, not content with travelling, the minister and his employees use the telephone a lot. They telephone, they wire, but they do not write. The minister and his employees urge us, the customers, to write; as for himself, he has to use the telephone.

When, in 1957, the Conservatives took over, telephone and telegraph costs were $125,000; they now reach $176,400, an increase of over 40 per cent.

Mr. Chairman, the minister cannot boast of having saved any money there.

Take for instance item "purchase of material", such as the famous electronic equipment, those expenses he told us about: "Rental of electronic apparatus, and purchase of material", $1,000,000. The figure is now up to 2.5 million. Travelling expenses, telephone and purchase of material represent an increase of 1.3 million over 1957.

If we look at the estimates for this year, for the previous year and two years ago, we find that each year they grow larger. Where are the savings under those items I referred to?

Now let us deal with transport expenses. They are unchanged. They increased normally, as they did in 1955-56 and 1956-57.

Rail transport expenses are perhaps even less, because they have in many cases been replaced by truck service. The Lord only knows what success he made of it. The same can be said for mail transport by water or by air.

As far as philatelic income is concerned, the departmental report fills a whole page and a half with talk of this successful service which is bringing in $336,000. In 1953-54, philately brought in $418,000 and in 1956-57, $315,000. Why is the minister boasting like that?

I now come to that famous increase in the charges for parcel post, with which we were presented between Christmas and New Year's, by way of a gift. Though the house was sitting in November, the minister could hardly be expected to shoulder his responsibility and come to the house and say: We have to increase postal parcel rates. Or else, knowing that the house would meet again in January, he might have waited until then before taking action. But no, slyly, because this was bad news which he thought people would not notice during the holidays when nobody has time then to read the *Canada Gazette,* the minister chose that particular time to break the news.

Mr. Grafftey: Mr. Lesage upped his taxes at that very time.

Mr. Denis: Mr. Chairman, the hon. member for Missisquoi is the first to interrupt me. Am I ever lucky.

An order in council of December 27, 1960, announced new rates for parcel post within Canada. Why did he not wait for the session to resume? Why not announce the increase to the house, like the brave man he is? Perhaps because he had promised not to increase the rates for this service. In fact he had undertaken to cut letter rates from five to four cents at the time he so unmercifully criticized the minister of the day.

That is not all. If he had been satisfied with a normal and reasonable increase, I would not bear him too great a grudge, but he is quite extravagant and needs a lot of money. But he has done more than that. He has eliminated from the list the special rates for delivery within 20 miles. That special rate has been abolished, not only for deliveries within the same province, but also for an adjacent province, which resulted in increased mailing costs. As a matter of fact, whereas it formerly cost 10 cents to send a parcel, it now costs 23 cents. A 15-pound parcel used to cost 38 cents and now costs

$1.64. Some mailing costs have even been increased by 331 per cent of the former rate.

(Text):

Mr. Johnson: On a point of order, I think the hon. member for Labelle is interrupting the hon. member for St. Denis.

Mr. Clermont: Mr. Chairman, I think the hon. member for Chambly-Rouville is doing the same thing as I am doing.

The Acting Chairman (Mr. McGee): The hon. member for St. Denis has the floor and if hon. members wish to carry on conversations, perhaps they might do so behind the curtain.

(Translation):

Mr. Denis: Please pardon him, Mr. Chairman, because the hon. member for Chambly-Rouville (Mr. Johnson) as well as other Conservative members have been very nervous since June 22 last, and they are getting more nervous as we draw nearer to the federal elections. I am prepared to put up with him, Mr. Chairman, provided that he does not bother you too much.

As I was saying, parcel post rates have gone up 90 per cent. It used to cost 38 cents to send a parcel from Hull to Aylmer, whereas today, for the same parcel, it costs $1.35. A parcel sent from Hull to Ottawa used to cost 38 cents, as against $1.64 today for a 15-pound parcel. Things have reached a point, Mr. Chairman, where it is cheaper to send a parcel by taxi.

I think the increase cannot be justified, save perhaps by the minister himself, with his pet words: "outstanding" and "tremendous".

When I asked him in the house what revenues he expected from those increases, the minister replied he expected to get $22 million. The estimates, therefore, had been drawn up at the time. The expenditures we will be asked to approve when his department's estimates come up do not include those extra $22 million.

Moreover, I fail to understand why the rate on periodicals has been raised by a third, despite the agreement reached with the United States. Here again, this is a case where the minister offered no explanation to the house until he was prodded by a C.C.F. member. The minister then proceeded to explain that it was another increase, yet it had been announced in the Chicago *Tribune* before we, in Canada, knew anything about it. This is a 33⅓ per cent increase which came into force today, at a time when the O'Leary commission has just completed its sittings and is working on its report; at a time when we are considering how to deal with the competition from American periodicals. Even before the report is submitted, the Postmaster General decides to raise the rate by one third. I am sure such a measure will in no way prevent periodicals from coming into Canada, because our own periodicals will be subject to the same increase. Canadian publishers were already complaining about low profits. If they are faced with higher rates on top of that, they will either be driven to bankruptcy or will have to raise the price of their periodicals. That is another increase on third class mail matter, as indicated on page 4 of the Post Office Department report.

> Articles of irregular shape, samples or advertising novelties, etc., will not be accepted for "householder" delivery and the rate on items weighing over two ounces has been increased by one half cent.

Therefore, that is another increase which the taxpayer will have to pay.

The minister thought that in taking over the department, he could bring the rates down. On the contrary, he has increased them.

And now, what about the employees? Everyone admits that the morale of the employees is very low; everyone admits today that the employees are afraid of loosing their jobs. When the minister has those electronic machines set up to do the work of 10, 15 and even 20 persons, he cannot have his employees nor Canadian taxpayers believe that those machines will not displace employees. Besides, the minister himself stated —perhaps not in the case of regular employees—that part-time employees might be affected. But those are employees like any others. The reason is very simple. If he does not hire more employees in the Post Office Department, it is because machines are displacing prospective employees.

Unemployment is prevalent across the country and we should set an example. There is no hurry for those electronic machines to displace labour.

The minister has no competition, he is the only one charging for parcel delivery, the only one charging for postal services. He could at least wait until unemployment decreases before thinking of replacing men by machines. Like any private member, a minister must take the human element into account, and bear in mind that hundreds of persons could normally be employed in this country by the Post Office Department, as is the case elsewhere. But not him. He wants to modernize. So he goes to the United States and to Great Britain to see new electronic

devices. Some of them are rented at a cost of almost $2,000 a month, only on a trial basis and for experimental purposes. Why not wait at least until those countries proceed with their own experiments and see whether those machines are considered good. Then we can decide whether they should be bought or not. But no, we are being used as guinea-pigs, while our people are jobless. And meanwhile in the post offices—

Mr. Grafftey: Would the hon. member permit a question?

Mr. Denis: Mr. Chairman, would you please ask the hon. member to wait. I shall reply to all his questions in due course.

I come back to the morale of the employees. Last year, out of sheer meanness, Christmas and New Year's day were struck out as legal holidays because they fell on a Sunday, so that postal employees who usually work on Sundays and who decided to take the day off on Christmas or New Year's day were not paid. How petty, for the sake of a few pennies. No wonder your division saved money during the Christmas period, for it reduced the salary of workers getting $1.26 or $1.41 an hour. Moreover, they were told that they would be paid $1 an hour if they agreed to take on another type of job. This is a saving made by the minister at the expense of his employees, and he said so in this very house.

And that is not all. It was recently decided that employees working during the Christmas season would be granted holidays instead of being paid in cash. Yet, in 1957, the former postmaster general was giving them the choice between cash and holidays. And even then the present minister was complaining about the situation, as witness those words from *Hansard*:

(Text):

I refer to page 1983 of *Hansard* of March 7, 1957:

Mr. Hamilton (Notre Dame de Grace): Will the minister please explain to the house why they do not make a practice of paying all Christmas overtime in cash and having the thing cleaned up promptly in January?

Mr. Bourget: It is not the same man at all.

Mr. Denis: Not the same man.

(Translation):

That is what he said. Other times, other ways. The employee who counted on his overtime to pay his rent will have to use his holidays. If he planned to make a time payment on a refrigerator, he has nothing but holidays to offer his dealer. If only he had been notified of this new policy, he would have acted accordingly.

Today the new Postmaster General is making a great show because he saved money on overtime. We are installing electronic machines, says he. There are 200 square feet of space in the Montreal post office which have been left empty for the last six months, waiting for the arrival of electronic devices. It served as a cloakroom during the holiday season. Today, this section is closed up, it is unoccupied. I do not know whether the minister is expecting Elsie and Alf, the English robot. Things of that sort happen every day. And then he stated: "I have no sympathy for letter carriers who complain about their salary". How after that, can you expect employee morale to be good? Here is sound advice for him: primo non nocere (first of all, do no harm). The minister is spending hundreds of thousands of dollars on electronic machines that will take the employees' places. Postal employees are entitled to know the facts. I think the Postmaster General should see to it that there are improvements, instead of trying to have people believe he has brought about improvements.

Mr. Chairman, may I call it six o'clock?

(Text):

The Acting Chairman (Mr. McGee): I am sorry to interrupt the hon. member but his time has expired. Does the committee agree unanimously that the hon. member should be permitted to continue?

Some hon. Members: Agreed.

Mr. Hamilton (Notre Dame de Grace): Is there any objection to going on now so that the hon. member can continue his remarks?

Mr. Denis: I will continue at eight o'clock.

The Acting Chairman (Mr. McGee): I have heard objection to continuing at this time.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

(Translation):

Mr. Denis: Mr. Chairman, I want to thank hon. members for allowing me to go on with my remarks, even if the time I am allowed by standing orders has expired. I may assure you that I shall try not to abuse this priv-

ilege. However, in doing so, I feel that the public and hon. members may suffer, because I shall not be able to tell all I would like to say about the post office administration. At any event, I believe I have said enough by now to prove that the present minister, far from being as efficient as those who preceded him, just made things worse.

There is one thing I should not hesitate to say; he did more harm to employees in his department than any of his predecessors.

When the house took recess at six o'clock, I was just dealing with a speech made by the minister in Dartmouth, Nova Scotia. In his speech, he attributed unemployment to three or four causes, of which the first was competition; the second, the greater number of people on the labour market; the third the lack of specialized and expert workers in this age of automation. Finally, he suggested to those who were listening—at least I suppose they were listening—to buy in Canada, to "Buy Canadian".

Now, if there ever was a minister who disregarded all these alleged causes of unemployment, it was the present Postmaster General. For instance, with regard to competition, the Postmaster General can hardly expect us to believe that there is competition within his own department. Consequently, if he does not take on more employees in his department it is not on account of another Post Office Department, since he is the only one to offer this service in this country.

Second, the increase of people on the labour market. That happens every year. It is normal. Each year, our population increases and there is hardly any difference with former years. As far as the special training which our citizens should have in order to face the automation era, if our workers are not ready to use automatic machines, it is up to the minister not to step up automation excessively. If the minister wants to set up automatic equipment in the Post Office Department and does not have the required experts to operate them properly, I should simply suggest that he wait until we have competent people to do this work. I do not tell him to hurry up, I simply suggest that he wait until the number of unemployed in this country regresses before he replaces people by machines in the Post Office Department.

And the last advice given by the minister to his listeners was to buy Canadian; he added that the Americans were buying American and the British buying British, and that Canadians could get something similar at a better price.

Well, Mr. Chairman, if that is good advice to reduce unemployment, I suggest that the minister should practise it himself because, unless I am mistaken, all that was modernized in the Post Office Department, all the electrical equipment that was installed there was imported. For instance, the Univac-120 equipment is imported; the electronic equipment comes from England or the United States. In fact, the minister even went to England recently and inquired about this famous new equipment called Elsie and Alf. I even believe that he is interested in introducing it in this country. Consequently, before advising Canadian citizens to buy Canadian, he should practise his own advice and buy Canadian whenever possible.

Mr. Deschatelets: Hear, hear.

Mr. Denis: Mr. Chairman, if this is true for electronic equipment, it is also true for mailmobiles or scooters, because most scooters or mailmobiles about which the minister makes such a fuss are American or Italian made, and it is only last year that they were finally fitted with a body apparently made in Canada. But the greater part of those mailmobiles is made abroad.

Thus, if the minister wishes to carry on his experiments with scooters or mailmobiles, he should try to find someone in Canada who could build such a mailmobile so that he could do his share to reduce unemployment.

Mr. Chairman, to come back to those mailmobiles, the minister said in the house, in reply to a question of mine, that his department had purchased 57 mailmobiles at an average cost of $81,966 a year. He added that without those mailmobiles, 19 additional civil servants would have to be hired. Now, supposing he had hired 19 additional employees at about $4,000 a year, for instance, instead of buying his mailmobiles, the total expenditure would have been $76,000. Therefore, it would have been cheaper than the experiment he is now carrying out with those mailmobiles.

I see the Postmaster General shaking his head in denial. He seems to feel that I am not right. Well then, let me quote the information given out by the minister, as found at

page 787 of *Hansard* for December 14, 1960. I put my question as follows:

3. What is the average cost per year for (a) storage; (b) repairs; (c) operation; (d) maintenance; (e) depreciation, of such vehicles?

4. How many employees would have to be hired by the department in order to provide an identical service were such vehicles not being used?

And now, for the reply:

(c) $931 each ... (d) $141 each; (e) $366 each.

If we add up those amounts we obtain a total of $1,438.00. Multiply this total by 57, since the department uses 57 mailmobiles and you have a grand total of $81,966.

Here is the answer the minister gave on December 14, last year, as recorded on page 787 of *Hansard*:

It is estimated that 19 additional employees would be required for delivery duties if delivery were being made to these areas on foot.

Therefore, not only does he reduce the staff, not only is he of no help to the unemployed, but this is more expensive, with the result that these mailmobiles are a source of trouble, for they are always breaking down and cannot be used. And when one of those mailmobiles breaks down, all the second and third class mail, which is too heavy for the letter carrier, is held up and delivered only the next day, whereas if the service were provided by letter carriers, as before, we would be sure to get regular deliveries. We would as a result provide better service to our citizens and employment to more Canadians.

I therefore suggest that there has been enough experimenting with those mailmobiles, and that, if it is considered that in view of our climate they cannot provide adequate service, we should stop using them. Furthermore I think three years of experimentation should be enough. Such experiments should not go on indefinitely, particularly in the way they have been conducted over the past three years.

We are told that this does not affect employment; I have taken notes, and I can say that in a number of fields, for instance in departmental administration, fewer people will be employed next year than this year. In the case of casual jobs, only 50 more people than last year will be hired next year. Under the transportation item there is also a drop, just as there is in the financial services. Whereas 414 persons were employed, only 404 are to be employed next year, and so on. This proves that when the minister claims that electronic machines will not be displacing regular employees, he is getting away from the truth, because perhaps 100, 200 or 500 more employees might have been taken on, so that the result is the same.

I suggest that periods of unemployment are not proper times for experimenting at the expense of the workers. I am all for progress, but I am against it when it is introduced at the expense of the human element, particularly in times of unemployment. I am all in favour of forging ahead and keeping in step with other countries, but when this is done in times of unemployment and particularly when it increases operating costs, I think it is time to put a stop to such experiments and to come back to the principle that despite the improvements or benefits offered by modern devices, the human factor should not be ignored.

I should like to revert to the matter of patronage. We know in what way—

(Text):

Mr. Brunsden: Would the hon. gentleman permit a question?

Mr. Denis: If my hon. friend would wait a few minutes he will have all night to ask any questions he wishes.

(Translation):

I respectfully submit, Mr. Chairman, that patronage has prevailed even more than previously. All members here have received letters denouncing injustices, claiming that such and such a person, such and such a postmaster, such and such a postman had been dismissed for political reasons.

I will mention two or three cases only, without going into all the details. If the minister wants more details, I am prepared to give them to him. There is, for instance, the case of one Mr. Gingras in the beautiful constituency of Joliette-L'Assomption-Montcalm, a veteran, who has been refused the job of postmaster because he was told he would not be able to carry out his work, in view of the fact that he was operating a bakery. There is also the case of a citizen of Louiseville, a veteran who, after having passed the test, was replaced by another candidate who is not a veteran.

Mr. Paul: Mr. Chairman, on a question of privilege.

Mr. Denis: There is no question of privilege.

Mr. Paul: If the hon. member for St. Denis is referring to political influence alleged to have been used for the appointment of the Louiseville postmaster—

Some hon. Members: Order, order.

Mr. Denis: There is no question of privilege.

Mr. Paul: —I must tell him and even emphasize the fact that the appointment is not the responsibility of the Postmaster General but that of the civil service commission.

The Chairman: If the hon. member for Berthier-Maskinonge-Delanaudiere has a question of privilege, he must state what it is about. If it is a matter of disagreement, he will have the opportunity to answer later.

Mr. Paul: Mr. Chairman, I understood the hon. member for St. Denis to contend that he is under the impression that the hon. minister has indulged in patronage. On that point, I submit—

Mr. Bourget: Order, order.

Mr. Paul: I submit, Mr. Chairman, that the hon. member for St. Denis has no right to level such an accusation.

Some hon. Members: Order, order.

Mr. Denis: Mr. Chairman, whether it is the civil service commission or the Postmaster General that should be blamed for it, it is none the less a fact.

However there is a point I should like to emphasize. When the Postmaster General was a private member in the opposition he used to criticize the postmaster general of the time and take him to task for various things. Yet the then postmaster general would reply that the question came under the civil service commission.

Therefore, if the present Postmaster General could raise questions at the time, I do not see why I cannot do the same now.

Mr. Ricard: Does that mean that all the charges then made were justified?

Mr. Denis: They are justified today. However the person responsible—

Mr. Ricard: You have been talking for an hour and a half without saying anything.

Mr. Denis: To give another example—several government members feel uneasy—I am referring to a sessional paper concerning Ladysmith, Que.

A mail contract was taken from a courier and awarded to another man who is a Conservative organizer.

Mr. Ricard: You transferred 535 contracts. You are the greatest supporters of patronage.

Mr. Denis: The Postmaster General denies practising patronage. I simply want to prove, quoting certain cases in support of my point, that he does practise patronage.

The minister is as much to blame as his predecessors, if not more so.

I simply submit the case of Ladysmith. A Mr. Pasch was replaced by a Mr. Turcotte, in spite of a petition signed by all boxholders, except two who could not be reached on account of bad roads.

Here is a summary of the petition and this is part of the papers produced in the house.

(Text):

Copy sessional paper 119C, 1st March, 1961.

(Translation):

Here is what the petitioners claimed, among other things on March 1, 1961:

(Text):

As far as we are concerned, Mr. Pasch—

(Translation):

He is the man who had the contract before.

(Text):

—is the best mailman we have had as long as we have had this route. He is just like clock work every Tuesday, Thursday and Saturday morning. We know just when to expect him.

Further down, it says:

To us, so far as James Turcotte is concerned—

Mr. Turcotte is the man who is replacing the former mailman.

—we are certainly against him serving our mail boxes. In the first place he is in his high seventies and he is too old a man to be capable of looking after mail.

(Translation):

I skip a small part, because it is somewhat private and personal. I continue:

(Text):

He is always interfering with politics and that does not suit with post office work. Several of us box holders will certainly have our boxes lifted off the posts if James Turcotte serves our mail boxes as he is anything but honest. We certainly got a shock when we heard of our rural route carrier Reinhold Pasch being changed without any complaints or warning.

(Translation):

As I said before, Mr. Chairman, that petition was signed by all box holders, with the exception of two.

Did that prompt the minister to reconsider his decision? Oh, no.

Another one lost his postmastership because he had signed nomination papers.

We all know that honest citizens often cannot refuse to sign a candidate's nomination papers. What makes it worse in this case is the fact that the nominee was not running in a federal election but in a provincial one. If the postmaster had taken part in a meeting or if he had been an organizer, well and good, but he merely signed to show that he knew the man who wanted to run in a provincial election. He is an honest man and a veteran besides.

He is replaced by another Conservative organizer. Therefore we Liberals have no

lesson to take from the new Postmaster General who, while in the opposition, used to complain about the very same things.

If he wants me to recite dozens of cases, I can do so and prove to him that he did worse than the minister of the previous government.

Anyway, Mr. Chairman, there is another promise which he made but never fulfilled.

I come now to that famous question of publicity. I know that our friend, the Postmaster General is publicity-minded. In fact, I have never known a minister to enjoy facing camera as much as does the present minister.

And yet in years gone by he would complain about the high cost of publicity, criticizing the publicity reports for 1956 and 1957.

Well in 1956-57, before the minister took over his present function, we used to spend $326,700 in Canada for his department's publicity. We are now asked in this budget to vote $456,800 for the same purpose, which is an increase of more than $130,000, or one third; that amount is more than sufficient to replace the famous locks the keys of which are now in the hands of Kingston inmates.

I believe that in that field alone he could save enough to change all locks on postal boxes which may be broken into, since it has been proven by the police who inquired into the matter that crooks had keys to open almost any postal box across the country.

As a proof of his propensity for exaggeration, the Postmaster General uses public money for his own publicity. I have here a copy of the publication entitled *Postmark*, for which the government spends over $34,000 every year.

If you get this little publication, you will notice that every issue carries a photograph of the Postmaster General. It is reproduced sometimes twice, sometimes three times. I have even found an issue showing his picture 12 times. Altogether, these publications printed the picture of our sweet Postmaster General 70 times.

In addition, he has been cover-boy or pin-up boy seven or eight times. He has been photographed standing up, riding a scooter, a car, sorting mail and bowling. He has been photographed from the front and from the back.

In all this publicity we find summaries of things he has said, and references to the places where he has been and where he has eaten.

All that has cost the Canadian public $34,000. We have no objection to the minister making propaganda for himself, and I believe he needs it. He has my approval, but he should do it at his own expense, not at the expense of the Canadian people.

But that was not enough to satisfy him, so he recently sent another 24-page book, printed on de luxe paper. I got one and I believe other members got a copy too.

In this book, he tells us that we do not know anything about postal service. However, on reading the book, we realize that the Postmaster General himself does not know anything about it either.

As a matter of fact, this book contains a summary of the report of the Post Office Department. But the minister being fond of publicity, takes advantage of it.

His name appears on page one, and again on page three.

Another blank page and a nice grey ribbon.

Mr. Gillet: Jealousy is your only inspiration.

Mr. Denis: The third page is blank; further on only a quarter page is printed, then there is a large school-child sketch, and another quarter page.

You can read all kinds of trivialities and stupidities. For instance, how many miles the mail carriers walk: they walk six to seven times the distance from earth to the moon and back.

There is information about the weight of letters, and I think that is where it is said it equals that of 2,000 diesel locomotives.

Really, Mr. Chairman, that information is so interesting that I think I will quote it, the more so since I would not want to misrepresent the minister's statements.

On page 7 you can read:

(Text):

It is more than 3,700 miles from St. John's, Newfoundland, to Victoria, B.C. but if all the letters posted last year by Canadians were laid neatly end to end—

Mountain of mail.

(Translation):

I do not know how long it takes to work out those calculations, and I wonder whether the employees are the ones who make them I do not know whether the letters are large or small or whether undelivered letters are included in the statistics.

(Translation):

—they would cover the return trip half a dozen times.

(Translation):

Some letters are a foot long, others are only six inches long; this is part of—

They would weigh more than a thousand diesel locomotives—

(Translation):

It is fortunate that diesel engines were invented, otherwise we would not have obtained

those statistics; the old engines were inadequate.

(Translation):

—and stacked in a pile would tower 500 times as high as Mount Everest.

(Text):

This is very instructive, Mr. Chairman, this is really informative for the Canadian people. I wonder how people could be so ignorant before. I wonder how long it took the employees to figure that out.

I remember that we were asked to guess riddles of that sort in school: If it takes 30 yards of cloth to cover an elephant's back, from what height would a monkey have to drop a peanut in order to sink a ship?

I feel that this administrative system is childish. When it is claimed that the Canadian people are being informed by such nonsense, I suggest it is time to change the government if not to change the Postmaster General.

Out of 24 pages, eight at most are made up of reading matter. There is no French version, it is out of the question. The price of this publication is not known. Yet, enough space was available to include a French version.

Mountains. And on page 7:

(Text):

... a mountain of ...

(Translation):

On page 8:

(Text):

Moving the mountains.

(Translation):

Page 9:

(Text):

A mountain that grows.

(Translation):

And a little further:

(Text):

... mechanism and the mountain ...

(Translation):

And now we have reached page 11:

(Text):

More than moving mountains.

(Translation):

Here, you see a picture of the minister, sketches, and his famous plastic mailbox which cannot contain much more than Christmas cards because it is no bigger than a matchbox.

In my opinion, the minister had his bit of fun.

(Text):

Ah, we have information on page 21.

What the post office does for you—It carries your mail.

(Translation):

I believe I have said enough—

Finally, the minister asks for our comments. Well, I think he will save me the trouble of writing to him, but I suggest that he read the record tomorrow and he will have a good idea of the Canadian population's opinion on that matter.

Now, with regards to postal service, as I said earlier, we have lots of letters that are returned three months after having been sent; people have come close to being arrested because their mail was late, or have lost their job for the same reason, as a Cooksville alderman pointed out.

The minister boasts of having set up carrier services. However this service has been refused to Ste. Agathe des Monts; and do you know why? They did not have the required population. Therefore, it was not the minister's fault. Well, same goes for those who have obtained their carrier service—it was not the minister's doing either. Carrier service extension is normal, as evidenced by the annual increases of those services.

In 1956-57, street letter box service increased by eight; in 1957-58, it increased by nine; there has been another increase in 1958-59 and an increase of nine in 1959-60.

As far as parcel post is concerned, it is the same thing; each year you add four or five new services—it is normal.

Therefore, the minister should not take credit for it. It depends on the population, the area and the density of homes.

The situation is the same in the case of the other road services.

In the case of rural routes, they used to increase by about 50 each year in the past. The minister does exactly the same thing now. The policy was the same in 1956-57 when those routes increased by 50; in 1959-60, they increased by 54. This is nothing to boast about. There is no reason to take any credit for it. Everything is done according to rules established long before the hon. gentleman became Postmaster General.

As far as the post offices are concerned, the minister cannot boast of having increased their number because, since he took over they have decreased by exactly 382. Some better and larger ones have been built but nevertheless, we have, in this country, 382 post offices less than when the minister's party took over.

A few moments ago, the efficiency of the service which looks after compensation claims was mentioned. In 1957, there were 11,800 claims; in 1959-60, there were 13,020. Consequently, since the minister has been administering the department, compensation claims have not decreased.

Compensation paid in 1957, because they were really warranted, amounted to $128,000, whereas under the present minister's administration, his department paid out a sum of $170,000 in compensation. In short, as far as an improvement of that service is concerned, it can scarcely be called a success.

On the other hand, as far as recoveries are concerned, the amount of $11,200 has been recovered on amounts which had been paid. In 1959-60, the amount was exactly the same. Yet, the department paid out large sums in compensation. The number of compensation cases has increased; and the amount has also risen.

With regard to dead letters, we find that they are more numerous than ever.

And the minister's auction sales, well, they brought in less than in 1957.

As to postal matter, the situation is about the same as in 1957. In 1956-57, there were 3,485 million postal matters; in 1958, there were 3,723 million; in 1960, the figure was 3,600; in 1960-61, we have 3,900 million.

Consequently, the volume of mail is not much bigger now than it was in the past.

An hon. Member: It is costing millions more.

Mr. Denis: I do not think I need continue my remarks in that regard, because we have amply shown that the minister had nothing to do with all the good that came about; rather it was a result of normal operations.

If the hon. minister wishes to hear complaints about holdups, I can give him dozens of them—

(Text):

Mr. Aiken: On a point of order; I realize that the hon. member has been given extended time and that this is his big moment, however, he has been speaking now for 40 minutes. If we are going to extend the time I feel we should at least go through the formality of doing so each half hour.

(Translation):

Mr. Denis: I suggest that the hon. member bear with me for two or three minutes. In any event, he knows full well that we are allowed to speak for 30 minutes when the house is considering estimates, and to rise as often as we wish. Furthermore, I do not know whether he was here at the time, but the hon. members have been kind enough to allow me to complete my remarks. I also think the Postmaster General is anxious to get rid of me as soon as possible, and I want to give him satisfaction.

I still have to deal with the matter of thefts. for which I should not need more than two minutes. The present minister used to complain that his predecessor hired thieves. He has risen to office, he has become Postmaster General, and now there are even more thefts. And when he was asked about this, he said: "Yes, there are more thefts, but there is less money involved." This year however, there are more thefts and there is more money involved. I wonder what excuse he will turn up. Let me remind him of what he said on July 26 1958, as recorded on page 2739 of *Hansard*:

> ...while roberries in post offices did increase from 159 in the previous year to 191, the actual losses in those robberies declined from $161,500 to $130,100. The reason for that is simply that instead of the previous, self-satisfied, take-what-may-come attitude of the former postmaster general we went after this thing.

The minister says he went after this thing. Could it be because there had been less money stolen? In 1959-1960 the number of thefts reached the figure of 813. At the time he complained, there had been 335. So what kind of success can the minister claim? The amount of money stolen at the time was $106,510, as against $295,130 today. In other words, the amount has tripled and the number of thefts has doubled. So, considering that he used to complain about the minister hiring thieves, I wonder what charge I should level at the present minister now.

Mr. Chairman, in order to please the hon. member who finds that my comments are not likely to help the Conservative party, I shall close my remarks in saying that the Postmaster General has fulfilled none of the numerous promises he made when he was a private member.

Second, he has neglected the employees in lowering their morale by his meanness.

Third, he has neglected the services in multiplying delays, in allowing thefts to increase, in allowing, for instance, that deliveries by truck be exposed to thefts much more than when deliveries were made by train. Allow me to remind the house that when one of the first postal services was set up in 1719, highway robbers had been checked by arming mail couriers. The minister could do the same thing; he could also investigate when a mail transport contract is granted. I submit that the present minister is not aware of the behaviour or background of those who obtain mail contracts, nor of the truck drivers. No wonder the mail is exposed to all kinds of thefts, as was the case when the truck driver was himself the thief. I suggest to the minister to reconsider the matter and stop increasing truck transport to the detriment of railway transport.

Lately, we learned that the Canadian National Railways had registered a deficit of $67 million. That would be a good opportunity to reduce that deficit a little by having them keep their contracts.

Once again, I hope the minister will give credit to those postal employees who are doing a tremendous job, and who certainly deserve the congratulations of the Canadian people.

(Text):

Mr. Brunsden: Mr. Chairman, on a point of order, some 10 minutes ago the hon. member who has the floor said that he would finish in two or three minutes. These have been the longest two or three minutes that I have ever experienced in my life.

Mr. Regier: Mr. Chairman, some of us have looked forward with anticipation to once again having our annual entertainment in the House of Commons and I must say that the hon. member for St. Denis has not let us down. He has again provided enjoyment in our discussions. I should like to disagree with him on only one plea that he appeared to be making. If I assess his submissions accurately, he seemed to plead with the department to delay the application of automation to the Post Office Department in the interest of supplying more employment in our nation. To me this would be a most deplorable attitude for the minister or for any department of government or any industry to adopt because I believe that all of us ought to basically welcome the advance of automation. If we can make machines do the work that human labour has done in the past I believe it is in the long term interest of all of us to welcome this type of development. I believe that national unemployment problems have to be resolved in another way and that opposing automation in any department of government or in any industry is a very poor answer to the unemployment problem.

In my initial remarks I should like to remind the minister of the call issued by his own Prime Minister at the last meeting of the national Progressive Conservative party of Canada in their great pow-wow in Ottawa, at which time the Prime Minister announced that the issue the next time we faced the electorate will be free enterprise versus socialism. Since the minister is one of those responsible for the operation of one of the most socialistic enterprises in our nation, I ask him whether tenders have yet been called for the sale of the Post Office Department? Is he prepared to follow his leader and offer for public sale the enterprise known as the post office of Canada because, if I understand the clarion call of the next election, it is supposed to be free enterprise versus socialism. The minister is responsible for one of the greatest socialistic enterprises in Canada, and I am asking him whether the post office is to be sold to private enterprise with or without tenders being asked for and bids being called?

I should also like to join the hon. member for St. Denis in his expression of regret over the "letter perfect" that we received in our mails. I should like especially to express my regret at the particular bulletin entitled the "Letter Perfect." We received a letter signed by William Hamilton, Postmaster General. I suppose it was signed by a mimeograph machine. What I do not particularly appreciate is the opening sentence which asks, "How much do you know about the Canadian post office? If you are like most other Canadians the answer is 'very little'". I think the tone of that letter is regrettable in so far as the recipients are concerned. I know the minister is an expert in the field of public relations and advertising. However, I am sure that no one in the advertising field, or in the public relations field, will agree with him that it was appropriate to address that letter to all members of parliament, and I suppose to all members of the other place, informing them that what they know about the Canadian post office is "very little".

I believe this was a regrettable move on the part of the Post Office Department and it did very little to enhance the prestige of the minister. We may all be experts in certain fields but if we have an understanding of public relations we will never inform people that they are not also experts in a particular field.

I should like to begin my remarks by paying my compliments to the employees of the minister's department. I believe that in world history instances are very rare where public employees can be said to have given as faithful service to the general public as have the employees of the Canadian post office over many long years. They have done so despite inadequate wages and inadequate recognition on the part of the government of Canada in years gone by.

To come to specific matters. I recall that some time ago the minister assured the house that the minimum number of households required before door-to-door delivery service might be instituted in any community was a subject that was under consideration. At the present time the regulations provide that door-to-door delivery service cannot be instituted in any community until at least 2,500 households exist. The minister assured the house at that time that this minimum figure was under active consideration from the point of view

of the possibility of reducing it. I should like to have a report as to what have been the results of this active consideration. Have any conclusions been reached and, if so, what are the conclusions?

In the light of existing levels of unemployment I believe very serious consideration indeed should be given to this matter and I should like to recommend that door-to-door delivery be instituted in all communities having 1,500 households rather than the existing minimum of 2,500. Before we go overboard in offering twice-daily service in any of our urban areas for the convenience of a limited number of business institutions, I believe we should first of all give most serious consideration to reducing the minimum number of households required before an urban area, a suburban area or any postal community can have door-to-door delivery service.

I should like to call the minister's attention to page 48 of his latest annual report. I notice that it deals with the year ended March 31, 1960. I suppose that a day or two after we have completed his estimates we will receive in the mail the latest annual report for the year ended March 31, 1961.

Mr. Hamilton (Notre Dame de Grace): Thank you for the compliment.

Mr. Regier: I have noticed this happening in the case of so many departments in the past. The moment the estimates are through we are supplied with a copy of the latest annual report. I can understand that as of today, April 13, the minister can hardly be expected to have his annual report completed and I am willing to forgive him. However, I regret having to deal with a report that is over a year old.

I should like to call his attention to page 48 where reference is made to the operations of the post office savings bank for the past ten fiscal years. In my opinion this is a wonderful institution and I regret that the minister and his department are doing very little indeed to advertise the facilities available to the Canadian public through the branches of the post office savings bank that exist.

I am very pleased to note that the number of depositors has increased. There are now 302,611 accounts compared with 278,595 at March 31, 1951. I believe that is remarkable progress. However, I also notice that the balance on deposit as at the end of the fiscal year has declined from $37,661,920.55 at March 31, 1951, to $29,372,460.93 as of March 31, 1960. In my view this is regrettable. I contend that the minister and the Post Office Department should undertake measures to make the facilities available to the Canadian public more widely known. I look forward to the number of depositors who patronize the post office savings bank continuing to grow and I hope the total volume of deposits will also grow in the years to come.

I should now like to refer the minister to page 50 of his latest annual report where reference is made to the number of post offices. Once again, as I have done in other years, I must call his attention to the fact that there is again a decline in the number of post offices in operation in Canada. During the year ended March 31, 1960, there were 279 post offices closed while only 142 new post offices were established resulting in a net decline in the number of post offices of 137. The reason I raise this issue is that it is a very important one to many people living in the suburban areas adjacent to the metropolitan centres of Canada. There is and there has been for years a deliberate policy on the part of the Post Office Department to lock up post offices in suburban communities in order to enhance the prestige and size of the major post office in the central metropolitan area. The minister should realize that he is not being blamed for the Liberals having built a $14 million lemon in Vancouver. He ought not to sustain the maintenance of that lemon and to penalize all rural communities around Vancouver for the sake of making this Vancouver lemon into a paying proposition. The minister ought to realize that there was a minister preceding him and that there were other colleagues of the minister preceding him who looked with envy at the pork barrels existing in Montreal and in Toronto and who made a very desperate effort to establish a similar pork barrel in the city of Vancouver. We are having post offices closed down and knocked out of business all around Vancouver, even many miles away from Vancouver, because of this initial plot and scheme for which I do not blame the minister. It was a Liberal cabinet minister, and not even a former Liberal postmaster general but a Liberal cabinet minister of the city of Vancouver, who designed this particular plot.

If the minister attempts to tell me or the people of the lower mainland that because of automation efficiency is being increased, he is completely wrong. He can ask any reputable business man in the lower mainland of British Columbia and he will find that our services are deteriorating year by year until the situation has arrived at the stage where every once in a while delivery of a first class letter from Ottawa to my home takes up to five days, while a letter out of South Burnaby into north Burnaby will take up to three and four days. Any man, on behalf of a business enterprise or organization sending out mail

in the lower mainland of British Columbia will be very happy to substantiate my claim. The minister is not responsible initially. He ought to stop listening to the big grass in the Vancouver postal district and pay some attention to the local community needs in that area. Our postal services are rapidly deteriorating.

We see no beneficial results whatsoever in this effort to build up this horrible lemon we find on Georgia Street which cost the taxpayers $14 million. A tunnel was built, if you please, to carry the mail from the C.P.R. station. It is an underground tunnel. I do not know how long it is; it is several miles in length and it cost $2 million. It has been a complete flop ever since the beginning. All important mail goes by air as the minister knows. The building was designed for helicopter service from the airport to the post office. I understand there is no such service even yet after many long years. There is no helicopter that takes the mail at the airport and delivers it on to the roof of this $14 million building. However, to handle the advertising of the soapsuds there is a $2 million tunnel in operation.

I would ask the minister whether the interest on $2 million a year would not more than pay for all the trucking necessary for a number of years to come. There is no tunnel to the C.N.R. station. There is just one tunnel costing $2 million to the C.P.R. station. I understand that it is operating most inefficiently and that, as far as economics are concerned, it is really something fantastic and out of this world.

I hope the post office will also soon begin to pay some attention to municipal boundaries. I know the assertion is made that in the interests of efficiency they can pay no attention to municipal boundaries. However, I have in my constituency the corporation of the district of Coquitlam. The residents of this municipality receive their mail either in the city of Coquitlam, out at the city of New Westminster or out at the city of Port Moody —and that is a fantastic situation—simply because of the arbitrary authority. We pay no attention to municipal boundaries. It is ridiculous. If there were a little bit of good will on the part of the postal authorities, they would pay some attention at least to municipal borders and would attempt to align their services so as to cause the least possible disruption. In my opinion it is completely needless that one single municipality must be served out of three separate post offices, each with a different name.

I should also like to appeal to the minister at this time to consider once again increasing the postage on second class and third class mail. I feel that it is absolutely unfair to ask the users of first class mail and the taxpayers of Canada to subsidize all the horrible material that arrives in our mail boxes almost every day. I have a small apartment in Ottawa. I received there several advertisements in the mail this morning the first of which reads:

> Save 10 cents on Kellogg's cereals. Free coupons inside. Canada postage paid, 1½ cents.

The next one reads:

> To the occupant 9 cents off. Canada postage paid, 1½ cents.

It is sent out by Rice Chex, Wheat Chex and Corn Chex. I do not know what that means. The next one reads:

> Save 10 cents when you buy one bottle of New Jim Dandy.

The next one reads:

> Save 10 cents when you buy Swan any size.

There is shown a picture of the new squeeze bottle. That is four advertisements. I have one more which reads as follows:

> 12 cents off any size package of Extra.

I assume that "Extra" is a soap of some kind. Oh, I observe it is alleged that it is especially helpful in the washing of glasses or cut glass. The taxpayers and the users of first class mail are helping to pay for the distribution of this kind of junk. These companies, if you please, can turn around and claim this cost under the Income Tax Act as part of their advertising expenses. I know what happens to this 12 cents. Every merchant in Ottawa has 100 customers who like their merchant and they do not buy the stuff. They just bring the coupons to the merchants. It means in this case roughly 49 cents to these merchants to whom these advertisement coupons will be delivered in time.

I believe it is time that these misusers of the Canadian postal facilities are made to pay their fair share of the cost. This has nothing to do with the distribution of public information as is the case when we speak of newspapers or other valuable publications. However, these people ought to be called to account and be made to pay their fair share.

I should also like to ask the minister about one other matter. How much does his department pay each year to Pitney-Bowes? How much did they pay within the last fiscal year, or the fiscal year preceding that, if that information happens to be statistically more easily available to the minister?

If I want a Pitney-Bowes machine, why do I have to pay much more than the little machine is worth in the first place in order to get it to my business office? Then why

do I have to pay a rental every three months on the machine? In the average business establishment the rental alone is more than the bloomin' little machine is worth in the first place.

I ask the minister, does Pitney-Bowes have a complete monopoly in the matter of postage meters; and if so, why? Why does not the department consider owning its own machines and renting them out to business establishments in Canada? Why do we have to pay over $300 for a machine that in its manufacture is worth perhaps $8 or $9, and then have to pay a very heavy rental ever after? What kind of a stranglehold have these people on the post office in this regard?

While I know they have not a monopoly in this field, how much did the government pay Pitney-Bowes in the last recorded year for the rental of weighing scales; and if they rent any at all, have they paid any money to Pitney-Bowes for the rental of folding machines? My inquiry concerns postage meters, scales and folding machines.

I believe the activities of this particular firm in relationship to the post office are due for investigation and I should like to have the minister's observations on these matters.

Before resuming my seat my main plea to the minister is that he should realize that in 1957 he became the Postmaster General of Canada. I know that most of his employees are loyal beyond the call of duty. However, I should not like the minister to think for one moment that he must always and at all times heed the advice of his senior officials without personal investigation into the merits of the arguments put forward by those senior officials.

Mr. Thomas: Mr. Chairman, I should like to congratulate the Postmaster General on a very interesting presentation of the annual report of his department. The hon. member for St. Denis could not see too much virtue in it, but I think the hon. member is possibly better as a humourist than a statesman, as far as his view of post office matters is concerned.

I think the Post Office Department, the Postmaster General and the government are to be congratulated for taking a forward view in carrying on the administration of this branch of government service. No service given to the Canadian people is nearer to their hearts, lives or emotions than the service given by the Post Office Department.

Steps were taken during the last year to promote good relations with the employees of this department by adjusting their wages and bringing them into line with other adjustments that have been made throughout the civil service. I am sure that the morale of post office employees has been greatly improved over the year on that account.

I know the Postmaster General is well liked by his employees. He has come into my own constituency without any fanfare and has visited local post offices in a quiet and efficient way much to the liking of the people in charge of those post offices. The department has been alert to increase the delivery service in the urban development areas around the city of London, and this has been much appreciated.

On behalf of the people of my constituency I extend thanks to the Postmaster General and the government for the promise of some new post office construction in our riding in the towns of Strathroy, Lucan and the village of Delaware.

I should like to offer one suggestion to the minister and the government for the improvement of the post office service in Canada. I suggest that the government give consideration to extending house-to-house delivery to the smaller centres. At the present time we have house-to-house delivery in the cities and, as was pointed out in the report of the Postmaster General, in the business sections there are two deliveries a day in many instances.

In the well developed rural areas all across the country we have house-to-house delivery through the medium of rural delivery carriers. In the smaller towns and villages across the country people still have to walk a distance of up to half a mile to the post office for their mail. I think it would be worth considering extending house-to-house delivery in the smaller towns and villages where this can be done with reasonable facility.

We are spending large sums of money to encourage the creation of jobs in Canada. Here would be a field of employment really made to measure. It requires only manpower.

It has been estimated by some authorities that in the heavy construction industry it costs as much as $28,000 a year to keep one man working with modern equipment. This is because of the high capital cost of materials and the power equipment necessary for this kind of industry. It would cost virtually nothing in the way of capital to put a mail carrier to work. Every dollar spent would be a dollar in wages. Such a program would constitute the most direct possible form of encouraging employment.

Such an extension of house-to-house delivery would raise our standard of living and assist in the equitable sharing of our national income by supplying more people with gainful employment. On January 22, 1959 I made the same suggestion in the

course of the debate on the address and I said on that occasion as reported on page 225 of *Hansard*:

> On page 2744 of *Hansard* of July 26, 1958 the Postmaster General (Mr. Hamilton) stated that house-to-house delivery is not provided in municipalities where delivery calls number less than 2,500. The reason behind this policy is that house-to-house delivery is most economical where six carriers can be used, five for regular five-day week route work and one spare man to alternate over the five regular routes so as to furnish six-day service.
>
> It is respectfully suggested to the minister and the government that consideration should now be given to providing house-to-house delivery in smaller towns and villages where there is sufficient work to provide full-time employment for one man. Rural free delivery is almost universal; so is house-to-house delivery in the large centres. It would appear that the people in the smaller towns and villages may be under a disadvantage compared with others from the standpoint of mail service.

I should like to suggest to the Postmaster General and to the government that an estimate of the cost of extending house-to-house delivery to the smaller towns and villages across Canada be made, and that careful consideration should be given to the proposal I have outlined.

Mr. Carter: Like all hon. members I listened with a great deal of interest to what the minister had to tell us about his department this afternoon. I want to compliment him on the achievements which he related to the committee, although the evident satisfaction which the minister showed in those achievements might perhaps make any further compliments seem superfluous.

Before proceeding, I too, want to pay tribute to the staff of the post office both here in Ottawa and in my own province. As the Postmaster General has said, they are very dedicated people and I wish to record my appreciation of the co-operation I have always received from them and for the thoughtful and sympathetic consideration which they have always given to problems I have brought before them.

Like the hon. member for St. Denis I received one of those little booklets telling the story of the Canadian postal service, and I want to thank the Postmaster General for reminding me that I am both a shareholder and a patron of our country's most essential public service utility. As a shareholder in this great public service over which the Postmaster General presides I must confess that my chest swelled with pride at the great list of broken records and earth shattering achievements about which the hon. gentleman told us this afternoon but I must say also that this pride was rudely dissipated when the Postmaster General announced a $9 million deficit. Deficits are always bad news to shareholders and it came as an anti-climax to all those great accomplishments: the greatest volume, the greatest expansion, the greatest revenue, he said, since 1867. The minister did not say it, but I was wondering whether this deficit was also the greatest deficit we have had since 1867.

Mr. Hamilton (Notre Dame de Grace): No.

Mr. Carter: Well, I did note from the report that this is the greatest deficit we have had since 1951. The largest deficit recorded since 1951 is a little under $2½ million. We had a surplus in 1956 amounting, I think, to a little more than $10 million, which is a far cry from the financial balance sheet which the minister put on record today. The Postmaster General explained that this deficit was due to salary increases. I do not think that explanation is entirely valid. As the hon. member for St. Denis has pointed out there was an increase in the estimate last year as well as an increase in revenue, which should have helped toward paying those salary increases. The question which is uppermost in my mind is this: did any of those salary increases go to revenue postmasters? The minister mentioned two groups and I understood that these were permanent employees. But in most of my riding we have very small communities and very small post offices and I should think the people who work in them are not regarded as permanent employees but, more or less, as casual employees. I was wondering whether they also had shared in these increases. The minister nods; I am glad to know that they did.

In my province, or, at least, in my own riding, the functions of the post office have changed considerably over the past 12 or 13 years. Prior to confederation, or what we call confederation, when Newfoundland became a part of Canada, there were very few if any people in the ordinary fishing settlement who had any interest in the post office. The local merchant would probably be expecting mail together with the teacher, the clergyman and a few professional people. But perhaps not more than a dozen people in the whole settlement would be interested in the post office and therefore there was not too much concern about the service on the part of the people generally. Nowadays, however, everybody is interested in the post office because everybody gets mail. There are unemployment insurance cheques, family allowance cheques, old age pension cheques and so on, and the post office today instead of serving perhaps a dozen people serves practically every family in the community.

This places a greater burden on post office services and gives greater status to the postmaster. In view of this increase in traffic

the postal accommodation situation in the small settlements is not satisfactory. We have a great number of settlements comprising 500 or 600 to 1,000 people. Although these settlements have quite a number of inhabitants the post office, because of low revenue, is operated from an individual's home. I am speaking of those settlements where the postal revenue is not great enough to warrant the provision of a post office building in the community. This situation imposes an inconvenience upon the residents because they must line up outdoors in all kinds of weather in order to receive their mail. Generally speaking there is no lobby in the private home and sometimes hardly even room enough to accommodate the mail.

I have repeatedly asked the Postmaster General to change the policy in this regard because I feel that if we are making great progress, as he has suggested this afternoon, the policy should surely be sufficiently flexible as to meet the varying conditions that exist in these settlements. I feel that we are, instead of changing the policy, holding to the old rigid policy of not providing postal services, such as buildings, etc., in those areas unless the revenue is at least $10,000, or something in that neighbourhood. This policy does not allow the provision of that type of service expected by the people in those out of the way settlements. I would like at this time to renew my age-old plea to the Postmaster General to reconsider his policy in this regard, and I hope that when he comes back to present his estimates next year he will be in a position to tell us that another great step forward has been taken in respect of a change in the provision of accommodation in the settlements to which I have been referring.

An hon. Member: That would mean a greater deficit.

Mr. Carter: No, I do not think this would mean a greater deficit at all.

I would also like to bring a problem to the attention of the Postmaster General regarding the basis of remuneration to the postmasters in these small revenue areas, and suggest that it is not entirely fair. As the Postmaster General appreciates, the postmasters in these revenue areas are paid a fixed amount out of which they are required to provide accommodation, fuel, light, janitorial services and maintenance. This is a satisfactory system in some areas but does not work out well in others. One result of this policy is that in two areas, comparable both in size and work load, the cost of accommodation varies, with the result that one postmaster will, in effect, receive less than an other. I realize that there is the one advantage that the total amount paid to individual postmasters can be used as a basis for superannuation, but it seems to me it would be more equitable if the Postmaster General were to accept the responsibility of providing for accommodation rather than placing the burden upon the individual postmasters themselves. Present practice does constitute a hardship to the individual postmasters in many cases. While it is true that, as the Postmaster General told us this afternoon, the salaries to revenue postmasters have been increased, I am wondering if there has been a proportionate increase given to cover the cost of rentals, fuel and other operating expenses, or is the increase in these costs to be taken care of by the one increase he mentioned?

I must now turn to a consideration as a patron rather than a shareholder and in this light must express concern at the increasing postal rates particularly in respect of parcel post services. As the hon. member for St. Denis pointed out, the rate increases have been substantial, ranging from 100 per cent to 300 per cent.

Mr. Hamilton (Notre Dame de Grace): You must remember that the rates have gone downward as well.

Mr. Carter: Yes, they have gone downward as well but in so far as they have gone up it constitutes an extra tax. I have no quarrel with the theory that the post office should pay its own way and I think that is a very sound principle, but in view of the increase in volume that has taken place and considering the modernization that has been effected by the automatic mail handlers, surely there is a decrease in the unit handling cost which would offset any additional expenditures which the Post Office Department may have to make. I believe every large private organization operates on this theory and I feel that the Post Office Department should do the same.

In any case, if we consider last year's report of the Postmaster General we find that over a 10-year period there is a $30 million credit to the taxpayers in respect of postal services. I arrive at this figure by adding the surpluses of 1951 to 1960 inclusive, which total $34.765 million, and subtracting the deficit for the same period which amounted to $4.374 million. I think the taxpayer should be entitled to have this surplus taken into account when considering any increase in postal rates, particularly since increased efficiency of operation would perhaps offset any increase in operating expenditures.

The Postmaster General referred this afternoon to an honourable mention which had been given to a design for a special issue of postage stamps.

Mr. Hamilton (Notre Dame de Grace): I was referring to a first prize rather than an honourable mention.

Mr. Carter: Yes, I should have referred to the first prize and, for my purposes, that is even better. In this connection I am reminded of a letter I received some time ago from a Newfoundland organization which urged that a special stamp be issued at Christmas time depicting, perhaps, the scene of the nativity. I am not aware that the Postmaster General has received a similar letter but it originated with an organization that has dedicated itself to offsetting the commercialization of Christmas. It was pointed out in this letter that seven or eight other countries had issued several stamps in this vein at Christmas. I feel this is a good idea and would support this organization's request, and hope that the Postmaster General will give it favourable consideration.

In looking at the Postmaster General's report for last year I see that his department's greatest source of revenue is derived from the sale of postage stamps. I also notice that revenue from the sale of meters and registration impressions has almost equalled that from the sale of stamps. We have not been given the figures in this regard for the present year and do not know therefore if the increase in revenue from postal meters and registration impressions has taken place on the same scale, but if it has been proportionate then it is now perhaps even greater than the revenue from postage stamps.

Which of these two methods of selling stamps produces the greater net revenue for the post office? I understand that the only expense in connection with the stamps is the printing of the stamps themselves, which should not be too expensive. Is the cost of the meters greater than the cost of the postage stamps? If we are short of revenue, or are running into deficits, then we should encourage the method which will produce the greatest amount of net revenue.

The minister took a great deal of pride in the reduced number of complaints that he has received. Of course, there are two ways of looking at this. People sometimes give up complaining when they feel it is no use to complain. While they may have complained more when the Liberals were in power it may have been because they had more hope of getting action on their complaints. Now they have learned from experience that it is useless to complain to the Tories and they have given up in despair. Therefore, I would not advise the Postmaster General to press that argument too far.

There is just one other question I wish to ask the minister before I take my seat. I notice on the sheet entitled "Standard Objects and Expenses", under "Special categories", the allocation for this year is up by $2.8 million. The explanation indicates that the reason for this increase was the movement of mail by land, air and water. I was wondering whether the minister would tell us if this is on account of an increased volume of mail or on account of the increased cost of contracts that have been renewed? These are all the things I wish to mention at this time. There may be other points that I shall raise when we come to the individual items.

Mr. Weichel: Mr. Chairman, as a former postmaster for almost 36 years, I am always interested in the estimates of the Post Office Department and especially in the wonderful growth of this organization and the splendid service provided by the Postmaster General, his department and thousands of employees across Canada.

Since retiring as a postmaster over three years ago I have been impressed by the many changes that have been made in the improvement of mail service during that short period.

The booklet entitled "Letter Perfect", about which we have heard quite a bit, the story of the Canadian postal service, published by authority of our Postmaster General, should be of great interest to all Canadians as shareholders and patrons of the Canada post office. The Postmaster General's remarks in the second paragraph of the foreword in this booklet are well worth repeating. I quote:

> Keeping pace with the tremendous growth and development that have marked Canadian business and industry in recent years, the post office has worked hard to maintain a modern efficient organization that handles an ever-increasing amount of business with speed and economy.

The efforts of 40,000 or more employees at more than 11,000 post offices across Canada present to us some idea of the great volume of mail handled so efficiently. Transportation of mail, as we know, is provided by air, water, rail, motor vehicle, snowmobile, dog sled and by other means. Perhaps one of the finest improvements has been the regular letter mail by air, otherwise known as "all-up service". To give the committee an example of the value and speed of such service, a letter mailed at my former office in Elmira, Ontario, on Monday evening at six o'clock was received and ready for delivery in Halifax at 9.00 a.m. the next morning.

Great strides have been made in the rural mail carrier service. This has given an additional number of Canadians the opportunity to enjoy this privilege for the first time. Owing to the increase in volume of mail, we realize that these carriers are spending more time in preparing the mail for delivery and longer hours in covering their routes. Most of these carriers have been compensated for this extra time, but others have not received any increases for some time. Owing to the higher cost of living, may I suggest to the director of transportation, who has made a noticeable contribution to the improvement of rural routes and other services under his direction, that he give this matter his further consideration.

Many other advancements have been ably explained by our Postmaster General in his opening remarks. The indications are that the Post Office Department is ever ready and always on the alert to improve such services for the benefit of all concerned.

The Post Office Department has often been referred to as the barometer of business. During my term of office in this department men of business, industry, labour and agriculture inquired from time to time as to the increases of revenue in order to analyse the development of Canada's economy as a whole. The Post Office Department, along with the district director and his staff, have always been very helpful and considerate in providing advice and information concerning post office problems and opportunities to better the service.

The appointment of area superintendents, according to my observation, has been invaluable to post offices in their areas, especially the smaller ones spread out in those districts. Their frequent visits give them the opportunity of personal contact with the postmaster and his staff and also to correct certain details so essential to the betterment of the postal service. In my opinion they are performing yeoman work.

The appointment of public relations officers has always been commendable. The public relations officer has played a large part in the courteous behaviour of the post office staff to Mr. John Public and vice versa. On various occasions this officer from the district director's department visited my office, at which time he called on the schools, spoke to the service clubs and showed pictures of the advancement of postal service; he explained in detail other important matters such as insurance, c.o.d., special delivery and the benefits of householder mail.

The explanation of the postal service to our younger folks has been carried out for some time. During the spring and fall seasons I would arrange with the principal and teachers of our schools to have the children visit my office in their classes, at which time explanations concerning the service were given.

Perhaps I could mention at this time that the visits of our Postmaster General have been deeply appreciated. It gives the employees the feeling that they are important cogs in this great work.

May I express my appreciation to the Postmaster General and the Minister of Public Works of their interest and concern in postal facilities at Kitchener, Ontario. This city has doubled its population in the last 25 years, and the improvements in the facilities in our area have been beneficial to all concerned.

Kitchener's twin city, Waterloo, where the present post office was built in 1912 and improved in 1948, has doubled its population in the last 10 years and tripled its revenue during that time. Again may I say I appreciate the efforts that are being made to overcome the present inadequate accommodation.

The Ontario postmasters' association, along with other such groups throughout Canada, have been interested in the postmasters and their staffs who work in the smaller offices. I am sure that the Postmaster General, along with all employees, was saddened last year by the sudden passing of Mr. Jay Ferris, postmaster of Campbellford, Ontario. This gentleman held many important positions in the postmasters' association and along with others played a big part in the substantial increases recently received by employees and in other matters pertaining to the welfare of public servants.

As a former member of this association for many years and a supervisory postmaster, I can understand some of the problems facing the postmasters of smaller offices. Many of these people are unable to enjoy more than a few days holidays each year as their services are requested from day to day. May I suggest that special instructions could be given by the postmaster and the department to the postmaster's assistant covering all phases of the work, including the cash account.

I have noticed from time to time the announcements as to how mechanized the post office is becoming and the amount of research that is being done to improve mechanization. Perhaps most of this research is being directed toward the larger offices. This research could also be directed toward the smaller offices as no doubt they would welcome the introduction of small cancelling machines and adding machines in order to provide them with some kind of efficient tools in their trade. Without these machines they must continue to do everything manually.

Their manual labour in this regard and their other duties involving the savings bank, government annuities, distribution of income tax forms, unemployment insurance stamps, et cetera, provide a busy schedule for the postmaster and staff. May I recommend to the department that further consideration be given to the smaller offices with regard to such matters.

Another interesting point that has been discussed on many occasions and which was mentioned by the hon. member for Middlesex West is that patrons in smaller towns find it difficult to understand why they cannot obtain house-to-house delivery of their mail. They feel that the postage they pay is the same as people pay in the cities and that they should be entitled to the same consideration. However, I understand that the Post Office Department has certain minimum requirements that must be met. Perhaps these requirements may be set too high. Older people have to walk quite a distance to receive their mail and parcels while others in the cities have them delivered. After all, the same taxes are paid by the people in the smaller towns. I hope this problem can be reviewed.

My last point has reference to the possible application of the minimum, four-cent local or drop letter rate of postage between Kitchener and Waterloo. I know that the rates on letters are governed by the Post Office Act which stipulates that the rate of postage on each letter posted within one postal area for delivery in another postal area is five cents for the first ounce, et cetera. I know that at the present time Kitchener and Waterloo are classed as two separate and distinct postal areas. I wish to mention that, geographically speaking, you walk from one city to the other without noticing the difference. In fact, they are so close that some people's homes are half in Waterloo and half in Kitchener and they pay taxes to each city. At one time the mayor of Kitchener lived in Waterloo and the mayor of Waterloo lived in Kitchener. Many Kitchener people work in Waterloo and vice versa. Girls working in office positions often take the mail with them at closing time and drop such letters in their home post office with the result that they are marked "postage due", which causes dissatisfaction to the receiver. I understand that this problem is being studied further by the department.

It has been a privilege, Mr. Chairman, for me to take part in the discussion of these estimates. May I again commend the Postmaster General, his genial deputy and all the employees for the success they have achieved in this important department.

Mr. Fisher: Mr. Chairman, the speech made by the Postmaster General was such a really marvellous job of polishing his own flawless diamond that I hate to get up and put any mist on the jewel but I feel that the department is hardly as perfect as the Postmaster General perhaps is. I wish to make a number of comments about the organization of the department and particularly about its deficit.

The minister really did not really speak about the deficit, the amount of money the department is losing on certain parts of its operations, specifically in its handling of parcel post and second class mail, though he did make some reference to parcel post. It seems to me that with that business efficiency he brought to giving us this wonderful pamphlet, "Letter Perfect", with the taste for design he has brought to postage stamps and to letter boxes and the efficiency he has brought to expansions of services he should be able to do something a bit more positive than he has with regard to the deficit.

Another thing he failed to speak about is a subject he brought up in a speech he made when he was in the United States, a speech that I am sure he was delighted to see find a place in that very well known publication, "Vital Speeches of Today". This is not something that happens every day to a Canadian Postmaster General so one would have imagined he would be proud of the remarks he made there and the policy that he seemed to enunciate. I can only be somewhat aghast that he did not bother to work that subject into his speech tonight in leading off on his departmental estimates. Perhaps I can call it ten o'clock and get under way more properly tomorrow on my appreciation of the Postmaster General.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Benidickson: Mr. Speaker, would the house leader indicate what the business may be for next week? I am assuming, of course, that we will continue with the estimates of the Post Office Department tomorrow followed, as he said last night, by the estimates of the Department of Fisheries. Are we to have a supply motion on Monday in view of the fact that the supply motion this week was postponed or is there other business for next week?

Mr. Churchill: Friday's business will be as the hon. member has mentioned. We will continue with the estimates of the Post Office Department and if they are completed we will go on with the estimates of the Department of Fisheries.

The forecast for next week, subject to change because of changing circumstances as seems to happen almost every week, will be as follows: On Monday instead of a supply

motion we will take legislation. We will commence with item No. 3 on today's order paper, Bill No. C-72, an act to amend the Customs Tariff. That will be followed by Bill No. C-82, item No. 5 on today's order paper, having to do with a convention between Canada and the United States with regard to taxation matters. That will be followed by item No. 9 on today's order paper, the resolution in the name of the Minister of Labour dealing with the subject of rehabilitation of disabled persons. The estimates for next week, discussion of which may commence on Wednesday, will be those of the Post Office Department if, unfortunately, we do not finish them tomorrow although I am sure the house will want to complete that department. We will then go on with the estimates of the Department of Northern Affairs and National Resources. I think that is all I will announce by way of a forecast for next week. Perhaps I could enlarge on Monday evening if the house appears to have made good progress.

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

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of debates pursuant to standing order 39:

R.C.A.F. AERIAL PHOTOGRAPHY

Question No. 155—**Mr. Argue:**

1. Does the Royal Canadian Air Force conduct aerial photography for the purpose of mapping and charting (a) in the Canadian Arctic (b) in any other area of Canada?
2. If so, are the photographs developed as the result of these flights available for: (a) inspection and future use connected with the economic development of Canada (b) photogrammetry (c) photo interpretation (d) resources surveys (e) structural geology (f) forest inventory (g) overburden and soil analyses (h) land use surveys (i) airborne profile recording (j) photographic reproduction?
3. If not, for what reason?
4. Have all these photographs been kept under the best possible conditions for future use?
5. Have there been any complaints from users of these photographs concerning their present quality because of deterioration due to improper storage?

Answer by: **Hon. D. S. Harkness (Minister of National Defence):**

1. No, not since the completion of the survey of Canada in 1956. The R.C.A.F. does, however, act as custodian of all federal government survey negatives including those taken by the R.C.A.F. prior to 1956 and those taken by civilian contractors up to the present date.

2 and 3. Prints of federal government negatives are available at a nominal charge to federal, provincial or civic governments, industry or the general public through the national air photo library of the Department of Mines and Technical Surveys.

4. Yes.

5. No.

TRACADIE RANGE FIRE—DAMAGE CLAIMS

Question No. 156—**Mr. Robichaud:**

1. What is the total number of claims received and accepted by the Department of National Defence for damage caused by a fire presumably started by R.C.A.F. planes in the vicinity of Tracadie target range, in August 1960?
2. What is the total amount involved for claims accepted by the department and for which a settlement has been agreed upon?

Answer by: **Hon. D. S. Harkness (Minister of National Defence):**

1. Number of claims received, 58; number of claims paid to date, 42.

2. Amount paid to date, $8,042.60.

POST OFFICE SITE, RESERVE MINES, N.S.

Question No. 166—**Mr. Pickersgill:**

1. Has a decision been made on a site for a new post office at Reserve Mines in Nova Scotia?
2. If so, what is the obstacle to a decision?
3. If so, is it intended to build a post office in the fiscal year 1961-62?

Answer by: **Hon. D. J. Walker (Minister of Public Works):**

1. No.

2. The department was in the process of acquiring land on which to erect this building when local objections were received to the proposed location on Sydney road. However, at that time the acquisition process had proceeded to the stage where it was not practicable to withdraw, and the lot on Sydney road was, therefore, acquired. The obstacle to a decision regarding a site for this post office is still the difficulty in satisfying various local interests concerning the location.

3. Not applicable.

[The following items were passed in committee of supply]:

DEPARTMENT OF AGRICULTURE

Livestock division—

21. Special grant to Pacific national exhibition, Vancouver, $200,000.

Special—

36. Prairie Farm Assistance Act administration, $690,483.

HOUSE OF COMMONS

Friday, April 14, 1961

The house met at 11 a.m.

HOUSE OF COMMONS

WELCOME TO PRIME MINISTER OF GREECE AND PARTY

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, we have today in the gallery a representative, the Prime Minister, of an ally of Canada's—Prime Minister Karamanlis of Greece. He will already, by the reception accorded to him by the members, realize the warmth of our feelings toward his country. He is accompanied by his wife as well as by the foreign minister of Greece, Mr. Averoff-Tossizza.

Yesterday we had the opportunity of discussing together matters of interest not only to our two countries but, as well, to the strengthening of the bonds of NATO and the assurance that Canada in the days ahead will be able to meet its responsibilities as it has since the date of the formation of NATO. In this connection it is well for the house to note that he has joined with the viewpoint of Canada in believing that it is most necessary, at the earliest date convenient, considering the preparation that must be made in order to achieve the greatest success, to have a meeting of the heads of state among NATO leaders. It is a necessity, having regard to the situation in NATO and in the international field as well.

We welcome him for himself and for the contribution he has made to the stability of his own country. We welcome him as the representative of a member nation in that organization of which I have just spoken. We welcome him for the contribution to and the heritage of culture that his country has given not only to the western civilization but to democracy and its principles throughout the world. We welcome him as the leader of a nation which has given much to Canada in the thousands of immigrants from that country who have come to us and joined in the building of Canadianism, and in the contribution which, in every part of Canada, is made by people of his race.

Therefore, sir, I draw your attention to the fact that he is here, and I again welcome to this country a true friend, an outstanding statesman, one whose dedication and whose country's dedication to freedom and democracy makes stronger the NATO organization and freedom itself everywhere in the world.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, on behalf of my hon. friend, the Leader of the Opposition, whose absence I greatly regret—an absence that is quite unavoidable—I should like on behalf of our friends to join with the Prime Minister, whose every word I echo, in welcoming the Prime Minister of Greece and those who are with him as visitors to this country today. While I regret the absence of the Leader of the Opposition, it is perhaps not unfitting that a representative of the greatest sea-faring people in the new world should welcome this representative of the first great sea-faring nation of the old world.

If I may be even more personal and recall my youth in the bush in northern Manitoba, one of the most distinguished of the citizens of that community was an immigrant from Greece, whose family were honoured in that community then and are honoured still today. All of us remember from our school days the warning *timeo Danaos et dona ferentes,* but no one who sits in a free parliament fears the greatest of all the gifts of the Greeks to the world, the idea of self-government, and for that we are eternally grateful to the people represented by the prime minister who is our guest today. Nor shall we forget, sir, that it was the language of Greece which was the vehicle for the spread of the religion most of us profess in Canada. We remember too how Greece fought and suffered for freedom in the dark days of the war. We remember that from the days of Byron to the days of Harry Truman, modern Greece has been on the frontiers of freedom. We are happy that Greece, which has perhaps historically the greatest claim to be the champion of freedom, as the Prime Minister has reminded us, is an integral member of that society of free nations, the North Atlantic alliance, which all of us, I trust, want to see strengthened in every way possible in order to meet the difficulties with which we are faced in the free world of today.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I join with the Prime Minister and the hon. member for Bonavista-Twillingate in adding our words of welcome to Canada to the

Prime Minister of Greece. The hon. member for Bonavista-Twillingate, who is very often at sea, was probably more appropriately at sea this morning in many of the remarks he made.

We acknowledge that the Prime Minister of Greece, our guest today, was himself instrumental in bringing about peace and independence to the island of Cyprus. The Prime Minister has associated the Prime Minister of Greece with his own views on certain aspects of the NATO organization. We do not agree with all of his comments in that particular regard, but realizing that Greece has done so much for the development and independence of free institutions of the world, we do welcome her prime minister.

FINANCE

STATEMENT AS TO EXTENT OF EXPORT CREDITS

On the orders of the day:

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, yesterday the hon. member for Kenora-Rainy River asked me a question regarding export financing. Since the answer is of necessity rather long, I wonder whether I could have the permission of the house to place it on *Hansard*?

Mr. Speaker: Is the house agreeable to the minister's request?

Some hon. Members: Agreed.

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

Mr. Speaker, yesterday the hon. member for Kenora-Rainy River asked a question concerning export financing. In reply I wish to state that following my announcement in the house last November 25 on export financing, two new institutions have been established for this purpose. They are the Export Finance Corporation of Canada Limited, a private institution wholly owned by the nine chartered banks, and the export finance division of the Export Credits Insurance Corporation, which is a government agency.

The Export Finance Corporation, using private funds, will finance exports for periods up to five years. The charter of this corporation provides for a subscribed capital of $50 million, with the right to borrow 10 times this amount, for example, up to $500 million, to finance exports from Canada. I understand that to date only $10 million of the subscribed capital has been paid in and the Export Finance Corporation is therefore in a position to borrow and undertake financing up to an amount of $100 million. This amount will of course increase as larger percentages of the subscribed capital are paid in.

The Export Finance Corporation has only recently commenced operations and I am not in a position to give information on the amount of export financing which it may have undertaken. It is my understanding, however, that it has not undertaken any substantial amount of export financing as yet. I would like to emphasize that the Export Finance Corporation is a private corporation which will undertake financing for periods not in excess of five years and that no public funds are involved in its export financing operations.

The export finance division of the Export Credits Insurance Corporation is the government institution which will handle the government's export financing program. Two hundred million dollars is the sum available for this program under the present provisions of sections 21 and 21A of the Export Credits Insurance Act. In so far as the government is concerned, the basic principle of its export financing program is that the government is now in a position to finance the export of capital goods for periods ranging from five to fifteen years, or longer, at rates of interest approximately equal to those being offered by major competitors. Government financing is, however, available only for capital goods having a high Canadian content (eighty per cent) minimum and which are intended for use in economically sound projects in creditworthy countries wherein it is reasonable to expect continuing foreign sales.

Although the export finance division has been in operation only for the past three months, Canadian exporters have already applied for extended term financing for 18 projects for transactions in 11 countries, to a total value of approximately $213 million. All such applications are considered by an interdepartmental committee known as the committee on export finance, which determines, in the light of the principles and procedures regulating government export financing, whether applications should be submitted to cabinet for approval. Of the $213 million of applications thus far received, $52½ million have already been judged suitable for submission to cabinet and the remainder are receiving careful examination. I would like to emphasize, Mr. Speaker, that Canadian exporters are in a position to bid for this potential new business amounting to $213 million solely by reason of the establishment of the government's long term lending program.

In conclusion, I would like to state that although there is no direct relationship

between the government's winter works program and the long term export financing program, it is a fact that economic and employment considerations within Canada are an important criterion for determining whether or not an application for export financing should be granted.

TRADE

URANIUM—INQUIRY AS TO POSTPONEMENT OF TALKS WITH UNITED KINGDOM

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to address a question to the Prime Minister. Can the Prime Minister give the house any information as to why the United Kingdom-Canadian talks with regard to the uranium contract apparently have been postponed? Can he assure the house that Canada is still insisting that Britain buy 12,000 tons of uranium?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there is nothing I can add to what has already been said. The question of uranium is still being considered. As I said yesterday, when a determination is made as to the identity and personnel of the group which will go to London with a view to further discussions, the house will be fully made aware of it.

INQUIRY FOR RETURN

CAUSEWAY CONSTRUCTION, P.E.I.-N.B.

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I can repeat a question I asked of the Minister of Public Works the other day and ascertain from him whether it is going to be possible for him to bring down a return of the correspondence with the government of Prince Edward Island with regard to the proposed causeway. The minister will realize that the subject is of even greater interest than it was when I asked the question.

Hon. D. J. Walker (Minister of Public Works): I am delighted to be able to say that yesterday I received the consent of the premier of Prince Edward Island to table this correspondence. I am sure the interest which the hon. member for Bonavista-Twillingate is taking in this matter can do nothing but good.

Mr. Pickersgill: I hope so.

Inquiries of the Ministry

TRANSPORT

RICHELIEU WATERWAY—FORMATION OF JOINT U.S.-CANADA COMMITTEE

On the orders of the day:

Mr. Maurice Johnson (Chambly-Rouville): I should like to address a question to the Secretary of State for External Affairs. Is the minister ready to make a statement in answer to a question I asked the Acting Minister of Transport on Wednesday, April 12, with respect to the Richelieu waterway?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I seem to have received this question by a series of delegations; however, I will take the question as notice.

VANCOUVER ISLAND CAUSEWAY—INQUIRY AS TO FEDERAL PLANS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I have another question I should like to put to the Minister of Public Works. Can the minister assure us that any plans he may have on the shelf for a causeway to Vancouver island will be unveiled before May 29?

FISHERIES

SINCLAIR REPORT—ADDITIONAL COPIES FOR CIRCULATION IN B.C.

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Fisheries. My question is based on the great interest of the fishermen of the Pacific coast in the report entitled "Licence Limitation, British Columbia, and Method of Economic Fisheries Management" by Professor Sinclair. I am informed that the union has asked for extra copies of the report to service all its locals as well as its executive and has been unable to obtain them. Would the minister give consideration to the printing of additional copies of this very important report so that those particularly concerned in the industry can obtain extra copies, for which they are quite willing to pay?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, a relatively limited number of copies of this rather extensive report were printed. We thought our estimated number would be sufficient for the purpose. However, I believe the union to which the hon. member has referred requested approximately 200 copies. We have not been able yet to furnish that particular organization with that number of copies because there has been a greater demand for the report than we

anticipated, from a great many organizations directly or indirectly interested in the fishing industry. We will do the best we can in furnishing some additional copies.

HOUSING

C.M.H.C.—REPORTED DEVELOPMENT OF SECONDARY MORTGAGE MARKET

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Would the minister care to comment on an article in this morning's *Globe and Mail* by Bruce MacDonald to the effect—

Hon. D. J. Walker (Minister of Public Works): May I interpose to say that I have not read the article, and would not care to comment on it.

Mr. Argue: Mr. Speaker, I will put my question anyway and then the minister can decide whether this important statement is worthy of comment. The statement is that Central Mortgage and Housing Corporation is considering the placing of $750 million in mortgages on the market. I ask the minister whether this is under consideration.

Mr. Walker: Mr. Speaker, in connection with our vast problem of creating employment for Canadians and also creating new homes for as many Canadians as can afford to buy them we have all kinds of matters under consideration, and I can assure the hon. member that included among them is the creation of a secondary mortgage market so that mortgages may be more readily available to the public and may be exchanged just as bonds can be exchanged. This matter has been under consideration for some time, and if and when any decision is reached which has the sanction of the cabinet I will be very happy to make an announcement to the house.

(Translation):

AGRICULTURE

DAIRY PRODUCTS—INQUIRY AS TO STABILIZATION MEASURES

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I should like to put a question to the Minister of Agriculture. Early this week, I inquired when he would be able to announce his department's policy with regard to price stabilization for farm products, and more particularly for dairy products. I have had no answer yet. Yesterday I read in the press that farmers are anxious to get this answer.

Could the minister tell us when he will make a statement with regard to price support for dairy products?

(Text):

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I am not in a position to make any announcement at present, and I do not know when I will be in a position to do so.

PUBLIC BUILDINGS

WINNIPEG—ADDITION TO WHEAT BOARD OFFICE BUILDING

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of Agriculture whether he has been able to ascertain the date on which it is proposed to let the contracts for the extension to the wheat board building in Winnipeg.

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I believe there is a question relating to this subject on the order paper and I am requesting information about it. As soon as I have it, I will make it available.

SUPPLY

The house in committee of supply, Mr. Flynn in the chair.

POST OFFICE DEPARTMENT

308. Departmental administration including Canada's share of the upkeep of the international bureaux at Berne and Montevideo, $2,174,216.

Mr. Fisher: Last night, Mr. Chairman, my theme was the perfect Postmaster General that we have in Canada at the present time.

Some hon. Members: Oh, oh.

Mr. Fisher: I wonder why the Prime Minister should want to hire John Fisher away from touting Anaconda Brass or Niagara Finance when he has this advertising genius in the ranks of the cabinet. We know from the last paragraph of his speech yesterday that his department has moved into a state of perfection, within no limits. It seems to me we now have a minister who is at a level from which he can move on to greater and greater responsibilities, perhaps to a more important department.

For that reason I should like to draw to the attention of all hon. members of the committee a speech made by the Postmaster General, to which I referred last night and which was reprinted in a publication entitled "Vital Speeches of Today", dated March 1, 1961, in which the minister makes a statement on

United States-Canadian relations and sets out Canadian government policy in this very important field.

I say again that I am afraid he is such a perfect Postmaster General we may not have him much longer as such. He will be moved to greater and more expansive realms. If he should move into a field in which he could devote his tendency to the hard sell, rather than the soft sell, I would imagine he would be selling the doctrine of free enterprise and the new frontier that has been announced by the Prime Minister.

This is interesting to me, because the Post Office Department has quite an odd interest in free enterprise and in supporting free enterprise. One of the things the Postmaster General indicated last year, apparently as a result of some questions I asked him, was that every three or four years the Post Office Department makes an analysis of its operations from the point of view of costs. We have an indication in the speech he gave yesterday that the increase in parcel post rates is the result of one of these investigations. This investigation revealed there was a deficit in connection with the operation, so the rates were increased.

Last year the Postmaster General indicated in information he gave me in reply to question No. 34 on the order paper, which concerned the estimates of loss or profit on second class mail, that during the fiscal year 1958-59, based on the department's calculations, the estimated excess of disbursements over receipts amounted to $21,690,000 for newspapers and periodicals. The revenue in that particular year was only $6,189,125. In other words there was a disparity of some $15 million. We have had no indication in the annual report or in the minister's speech as to whether or not this loss has continued. We know that certain subjects have been considered by the royal commission on publications in this connection.

I must come back to this theme of free enterprise and the part the Postmaster General and his department are playing in supporting free enterprise in this country. I wonder how many members of the house have ever heard of the Siftons, the McConnells, the Thomsons or the Welds, and have ever considered that they were poor people. Are the McConnells, the Siftons, the Thomsons and the Welds in this country poor people? I think the answer is of course a ringing "No". No one needs to be told of the tremendous fortune, at least in terms of assets, that Roy Thomson has built up so that now he is a colossus bestriding the whole publishing field, not only in Canada but in Great Britain. Yet the minister and his department have helped to subsidize these free enterprises of the Thomsons, the McConnells, the Siftons and the Welds.

I give one example in connection with the second class mailing rates. The postage rate, supposedly, in Canada has been kept low on second class publications because they wanted low subscription rates for the farmers. The three biggest publishers of farm periodicals in Canada are the McConnell interests of Montreal, with the *Family Herald and Weekly Star*; the Sifton interests of Winnipeg, with the *Free Press Prairie Farmer,* and the Weld family of London, Ontario, with the *Farmer's Advocate.* I would say that the McConnells and the Siftons probably rank among the wealthiest families and interests in Canada. A great deal of their wealth has come from their publishing empires and from these fantastically successful and very able publications, the *Family Herald and Weekly Star* and the *Free Press Prairie Farmer.*

In the light of this kind of wealth I wonder how much longer we have to go on subsidizing not only the farmer, who benefits by cheaper subscriptions, but these wealthy men. It seems to me that we need a real analysis carried out here. If I had any idea that the McConnells, the Siftons or the Welds were about to go to the wall and were near a state of bankruptcy; if I thought Roy Thomson was in a state of collapse financially, I could see why we should continue to give these low postal rates. But this is not true as far as I know. We have had no indication that these big empires of commerce are shaky. As a matter of fact they seem to be getting bigger and better.

Yet their main publications, and certainly I think the publications that probably bring them in the most income, are among the ones that are piling up this terrific deficit for the Post Office Department. I think the minister will acknowledge that there is in Canada a special rate for daily newspapers having a circulation of less than 10,000 a day. What publisher in Canada owns the most daily newspapers with a circulation of less than 10,000 a day? Some poor, struggling fellow who is trying to get along? Are there many of them who are still trying to keep their heads above water? No; it is our friend Roy Thomson.

The Kamloops *Sentinel* has an estimated circulation, according to the latest figures, of approximately 6,500; the Kelowna *Courier* 5,100; the Nanaimo *Free Press* 8,100; the Penticton *Herald* 4,800; the Moose Jaw *Times-Herald* 7,900; the Prince Albert *Herald* 6,800; the Barrie *Examiner* 8,100; the Kirkland Lake *Northern News* 6,200; the Orillia *Packet and Times* 5,700: the

Pembroke *Observer* 6,600; the Woodstock *Sentinel Review* 9,600 and the Quebec city *Chronicle-Telegraph* 5,600. These are all newspapers with a circulation of less than 10,000 a day; they are owned by Roy Thomson of the Thomson interests, and they all have a special rate. To me this is one of the most insidious forms of subsidy. It is the kind of subsidy that goes to a free enterpriser who is always shoving free enterprise down our craw.

We have a Thomson paper in our area. Recently it has shown some marked improvement in certain ways in my opinion. I follow the Thomson newspapers fairly closely, and one of their favourite lines is attacking the C.B.C. and the Canada council by advocating the throwing out of such subsidies and saying these agencies are wasting the taxpayers' money. We have a deficit of $20 million in one branch of the Post Office Department—it is not quite a deficit; it is an estimated deficit—and among the prime beneficiaries in Canada is the Thomson chain.

I would have some sympathy for the Thomson papers if they were carrying the odd story or writing the odd editorial on the fact that the Post Office Department is losing money on second class mail. But you do not get that. Instead you get this constant war of attrition against the C.B.C., the Canada council and the C.N.R., these profligate wasters of the taxpayers' money.

This is the kind of insidious inconsistency in the free enterprise approach upon which I should like to hear the minister speak. Are we still subsidizing the poor farmer in bringing him this wonderful information which he obtains from the daily newspapers or the farming publications, or are we subsidizing the McConnells, the Siftons and the Thomsons? I would like an answer to that question.

While I admire the self-made man who can go ahead and build himself a fortune and an empire, not only here but in the world itself, I think we should look at the situation very closely if part of that wealth is accruing in an indirect way by means of subsidy from the Canadian taxpayer. I think it is only fair, in terms of the critique that these gentlemen and their newspapers themselves apply. For that reason I think we should know more about the estimates of the Postmaster General and the costs of delivering this periodical mail.

I know this matter is confused by a fact which is, in a way, a much more important issue. I refer to the fact that at the present time we are not only subsidizing the McConnells, the Siftons, the Welds and the Thomsons, but *Time* magazine, *Reader's Digest* and all the other United States publications that come into this country at a fantastically low rate, considering weight and distance carried, in comparison with Canadian publications.

As I say, the one problem tends to dwarf the other, but no person can look at the information given to me and realize the importance of this matter. I would like to put this information on the record, but the Postmaster General remarked his letter "personal and confidential". This was a letter he sent me on July 27, 1960. It was a four page letter which I appreciated; it was full of information on this very point.

However, the Post Office Department is losing money on carrying second class mail. The Postmaster General has the figures here to substantiate this statement. They are especially losing money on carrying United States' periodicals. As I remember from the figures given to the royal commission, the 45 leading United States magazines have a circulation in Canada of over 6½ million, while the eight Canadian magazines that are in comparable fields have a circulation of a little over two million. Therefore there is no question about it, the United States publications have a great advantage over comparable Canadian publications since they are generally heavier and carried further.

However, I still insist that as much as we hope this will be corrected by the royal commission, this is no excuse at all for any longer giving subsidies to men of such substance who control the farming publications and these daily newspapers with a circulation of less than 10,000.

The argument can probably be made, do you want to put the poor people in Prince Albert in the situation where they can only get news about the Prime Minister at a higher price, because this would mean higher priced newspapers? All I can say is that we do not know what profits Mr. Thomson has made from the Prince Albert paper or any of these other papers. It is none of our business. But we assume that he has done very well, because he started with a small radio station in Kirkland Lake, moved to a few newspapers and now has a chain across Canada, some in the United States, he is going down into Africa and he almost sewed up the periodical market in the United Kingdom.

I do not believe money is created magically, or the resources for this kind of empire. It came from somewhere. Where did that money come from? I think we have to assume that it came from the little people in Prince Albert, Kelowna, Woodstock, and so on. If this is the case, I think we deserve a check on the particular aspect I have raised. How much

longer are these special rates on agricultural publications and publications with circulation of less than 10,000 or less to be carried on?

I did want to make some complimentary remarks about the employees of the department as well as about the minister. The thing I like about post office employees, and I can say this because I would not say it about very many civil servants, is that they have a lot of militancy and fibre. They have great solidarity. I was delighted to read in this morning's paper that the representative appearing before a house committee took a very strong line on collective bargaining. I enjoy reading the *Postal Journal* of Canada. It is about the most forthright of all the publications put out by the civil service associations. I must pay the minister at least an indirect compliment by saying I have seen no falling away since he took office in either the militancy or the self reliance or the fibre of the employees. More power to them, and I wish more civil servants had the same attitude as the majority of postal employees.

There is one other aspect of the general question on which I should like to hear the minister's comments. A publication appeared recently which contains a great deal of information on public administration in Canada. It is really an editors' job by Hodgetts and Corbett called "Canadian Public Administration". Included in it is a very fine article by a former senior civil servant of the department, Mr. Turnbull, entitled "Decentralization in the Post Office". This essay was first published approximately six years ago and it indicates that decentralization was already taking place in the department with a promise that it would bring better controls, reduced costs, and so on.

The question I should like to ask the minister in the light, I was about to say, of the bragging—or perhaps I had better call it the complimentary way he has looked at the operations of the post office since they came within his grasp—is whether some of these advances have come about as a result of this policy of decentralization which followed the Woods Gordon report of six or seven years ago, and about which Mr. Turnbull has written. I mention this because I think the minister may in all modesty want to give some credit, if not to his ministerial predecessor then at least to some of the senior civil servants under the former government who might have set up changes the benefits of which are now being reaped so brilliantly, or so forcefully, or in such a hard sell manner by the present Postmaster General.

There is one other point with which I should like to deal. It is a more specific point, and one on which I should like to have some information from the Postmaster General. I should like to know what steps he has taken to stop the development of football sweeps and lotteries of all kinds in Canada. I have brought this matter up before. The two Toronto evening papers, the Toronto *Telegram* and the Toronto *Star,* carry, every Wednesday I think it is, the results of a certain football pool in England. I am no legal expert, but it seems to me those pool results indicate—and this I know because some of my friends are involved—that a good many people are playing the football pools in England, and they may or may not be using the mails. I am fairly certain they are, and I think I know how they are getting round the provisions against doing so. The point is that neither the Toronto *Telegram* nor the Toronto *Star* would be carrying these excerpts of information if they did not know that there was an interest, and a substantial interest in what is, according to the minister's own actions, an illegal enterprise in Canada. I should like to know from the minister, since his officials have gone to the trouble of opening the mail of some of those little people who are playing the football pools in England, whether he is considering doing anything about stopping the passage by mail of those newspapers which are carrying football pool information.

I refuse to believe that this information, carried regularly every Wednesday evening, giving the winnings and the ratios for the various parts of the pool, is given because Canadians have an altruistic interest in it. I suggest the information is carried because it is known that Canadians are playing these football pools. I believe we should be allowed to play them. That is my personal stand, not a party position at all. If the minister is going to be consistent, what is he going to do about this publication in newspapers, which go through the mails, of information on illegal activities?

I cannot myself make out whether this information is inserted as news or as an advertisement. I have written to one of the newspapers on the point and received no reply. I asked the correspondent of another newspaper to check, and he told me he had received no reply. We do not know whether this information is an advertisement or news. However, I suggest that the regularity with which this information is inserted is something the minister should investigate if he is going to run around opening the mail of the little people who play the pools.

Mr. Drysdale: Would the hon. member permit a question? The hon. member indicated that he was giving his personal expression of opinion concerning these football pools and not an expression of party opinion. If we had a Canadian lottery in Canada I think the problem would be obviated, and

I was wondering whether the hon. member could speak for his party and indicate whether they are in favour of a lottery in Canada.

The Chairman: I would have some objection to the nature of the debate being changed.

Mr. Drysdale: On the point of order, the hon. member has been complaining about the fact that information useful to people who are playing football pools is passing through the mails. I was suggesting that if we had a Canadian lottery the difficulty would be obviated, because those who are now playing the Old Country football pools would then be in a position to play them in Canada. I was trying to find out, since the hon. member has given his personal opinion, whether or not his party is in favour of a Canadian lottery.

Mr. Fisher: I can only refer hon. members to what I think was an excellent speech I made about a month after the house—

Some hon. Members: Oh.

Mr. Fisher: Well, this is not a time for modesty. If I am going to play in the Postmaster General's league I have to adopt some of his tactics.

An hon. Member: You do not know where your party stands.

Mr. Fisher: I know where the party stands. The party has not got a stand on lotteries. If the hon. member wants to know, what I have tried to do is to see that the party has a stand.

Mr. Pickersgill: I wonder if the hon. member will permit me to ask him a question. Since the hon. gentleman says this is no time for modesty, does he not think he should address the committee as "my fellow Canadians"?

Mr. Fisher: Well, as a fifth generation Canadian—I sometimes wonder whether it is worth mentioning in this house. I think I had better let it go. I have one last and rather serious point to bring to the minister's attention. It is a rather ticklish thing, and since it involves in a sense birth control and religion I am sure it may get some attention from the press.

Some hon. Members: Oh, oh.

Mr. Fisher: I think it probably will, but I want to point out to them and to the minister that I should much prefer the press to give some attention to the problem I brought up earlier, which is that these free enterprises are being subsidized by the taxpayer in an indirect way.

[Mr. Drysdale.]

However, on the other subject, I have received two letters of protest from women in my constituency to the effect that they have received, through direct mail, solicitations from a firm in Winnipeg that they should buy contraceptives. This advertisement is perhaps not as shocking to me as it would be to the women who receive it but it is certainly shocking enough, if one has limited knowledge in this field. It is certainly not the kind of information that should be coming into the home. It results probably from someone acquiring a mailing list. This particular one was addressed by name to a person in my own city of Port Arthur, and includes a price list with a sort of decorative statement about the merits of the various gadgets that are offered, leaving very little to the imagination. It includes a most peculiar little statement, which I will read:

> Should this be contrary to your beliefs kindly accept our apology and disregard this advertising. Please feel assured it is unlikely that you will hear from us again.

How do you know you will not hear again in this regard? This is an advertisement from only one firm dispensing this particular kind of contraceptive. If you look at newspapers, such as the *Family Herald and Weekly Star*, you will find in the classified section all kinds of this type of advertising. What will happen if this type of thing leads to a massive assault upon Canadian householders? What can the Postmaster General do to protect people from receiving this kind of information which stresses that these things are designed solely with regard to health but happen to have, I think it is commonly agreed, a more practical objective?

I suggest that this is something that should be investigated. I certainly object generally to the amount of direct mail that householders receive. I know as politicians and members of parliament we probably receive more direct mail than any other group of people in Canada, which is perhaps as it should be, but why the ordinary householder should be bombarded in this way is something I do not understand, especially in regard to subjects as personal as this. It seems to me that the post office should consider whether the circulation of this kind of information falls within some part of the Criminal Code which makes it illegal. If an individual writes for this kind of information in following up an advertisement appearing in the newspapers that is quite all right, but to receive this kind of information out of a clear blue sky is something of a different nature.

This particular advertisement came from Twin Cities Sales of Winnipeg but, considering the many companies in Canada in this field, if they all follow this type of advertising, using

mailing lists or telephone directories, the post office will be faced with a very serious problem. I would like to know what the minister feels his officials can do in this regard, or what advice they can supply those people who receive this kind of information. I might point out to the minister that this advertisement is designed in such a way that individuals will open it. It advertises a saving of from 35 per cent to 75 per cent.

The Chairman: I am sorry to interrupt the hon. member, but his time has expired.

(Translation):

Mr. Ricard: Mr. Chairman, like my colleagues in the house, I listened closely to the brilliant statement made yesterday by the Postmaster General, in which he reported on the operations of his department. I think he deserves to be commended. There is no thought of flattery in my mind, but I think he and his department certainly are to be admired; so, contrary to what the hon. member for St. Denis (Mr. Denis) did last night, I should like to pay tribute to the minister and his staff on behalf of my constituents.

The minister knows I am sincere in making these remarks, because he knows better than anyone that I do not always agree with the decisions that are made, but he has a duty and a right—in fact he has no choice—to follow whatever course he thinks is best. I commend him for it, and I bow to the decisions he has to make from time to time, even though they are not always to our satisfaction.

Ever since he took over the Post Office Department, we have seen a number of improvements in postal services.

Let me remind you of a few improvements which have been achieved in my constituency. My purpose in mentioning them is to recognize the integrity, understanding and impartiality which have always been displayed by the post office staff.

I would mention, for instance, a service which is certainly very much appreciated by the people of St. Hyacinthe, and particularly those of Douville; the Douville section, in suburban St. Hyacinthe, now enjoys daily letter carrier delivery service, except on Sundays. This is also true of the Jolibois section of the city of St. Hyacinthe which also enjoys the letter carrier delivery service, thanks to the understanding of the minister and his staff. Representations for those services had been made in several instances under the former Liberal administration, but had always been turned down because of the unbending attitude of the then minister, who would never recognize the needs of the people of St. Hyacinthe.

The same service has also been extended to street sections which previously were not served. The post office people have realized that those taxpayers should not only pay taxes, but should also enjoy the services provided by the department.

Thanks to the understanding of the Postmaster General and his officials, it was found possible, following representations from yours truly, Mr. Chairman, to go ahead with the setting up of five new sub-offices in the city of St. Hyacinthe. The rural mail service was also extended, not only in my constituency but also in Richmond-Wolfe and in a number of other neighbouring constituencies.

The hon. member for St. Denis complained yesterday about the cost of maintaining postal services. He forgot, probably because of his merely occasional attendance in this house in the past years, his own lack of action and that of his colleagues representing rural constituencies, who particularly failed to discharge their obligations as they might have done.

Of course, when the minister extends his services it will cost something. Therefore, there may be an increase in expenses in certain sections.

I also noted yesterday, Mr. Chairman, that the hon. member for St. Denis (Mr. Denis) starred in a show which might be called a burlesque, the like of which had never been witnessed before in this house. I noticed—which is really surprising, and also pitiable—that the Liberal opposition had made a rather sad choice when selecting its spokesman on such significant questions as come under the Post Office Department.

During the 70 and more minutes that the hon. member for St. Denis had the floor, he only piled up nonsense upon nonsense, fallacy upon fallacy, inaccuracy upon inaccuracy—

Mr. Johnson: Exaggeration.

Mr. Ricard: Exaggeration upon exaggeration, as my good friend from Chambly-Rouville (Mr. Johnson) so rightly said.

He tried hard to sow in the public mind the idea that the present minister did not carry out his responsibilities as he should, and he also threw some suspicion on all civil servants in the Post Office Department, in a way which was unworthy of a member of this house.

Mr. Deschatelets: That statement is false, and you know it.

Mr. Ricard: One of the prompters is starting on the job. That is exactly what he said, because, and I am referring here to the official record, page 3635, where it can be seen that the hon. member for St. Denis expressed himself as follows:

What did he do with that money?

The hon. member for St. Denis was speaking of the Postmaster General.

Is this not, Mr. Chairman, an implication that these sums have not been properly used?

He also tried to maintain that the service given by the Post Office Department is not as good it was under the former Liberal administration. That is completely false and everybody knows that the present Post Office Department is giving us a service not only better than what we had previously in Canada but also better than that of many other countries.

He also tried to say that there were now more complaints than before, whereas the opposite is true.

When the Liberals were in power, Mr. Chairman—as the minister told us yesterday—there was an average of 123 complaints in a million letters, whereas under the present Postmaster General their number has fallen to 94 only.

The hon. member for St. Denis had the cheek to say, Mr. Chairman, that there has been patronage in the Post Office Department.

It is indeed surprising, Mr. Chairman, to hear in this house a Liberal member speak of patronage, and I shall show you, on the basis of evidence, that if there has been any patronage, it was in the days of our predecessors.

When they came into power in 1935, they deprived 535 postmasters of their jobs overnight.

(Text):

Mr. Grafftey: Shame.

(Translation):

Mr. Pigeon: Scandalous.

Mr. Ricard: As evidence of the patronage prevailing under Liberal rule, Mr. Chairman, I shall give you a very concrete example of what happened in those days.

Mr. Chairman, I have here copies of official documents concerning the appointment of a postmaster in my constituency; this was under a Liberal regime, that is in 1946. To Liberal members who claim there never was any patronage under a Liberal administration, I suggest that they listen carefully to what I am going to read.

[Mr. Ricard.]

Mr. Tardif: This is all ancient history.

Mr. Ricard: It may be ancient history but true nevertheless. And something tells me this is going to hurt my hon. Liberal friends.

Mr. Johnson: It is going to hurt the redskins.

Mr. Ricard: Mr. Chairman, here is the text of a request to Mr. Armand Cloutier, then member of parliament for Drummond-Arthabaska:

We, the undersigned, Liberal organizers in the St. Eugene of Grantham parish, hereby recommend Mrs. Gaston Poudrette, née Yvette Forest, as permanent postmistress in replacement of her father Mr. Adélard Forest, who has resigned.

We hereby ask for your support with the Postmaster General in this connection.

In witness whereof we have signed—

And here, Mr. Chairman, follow 11 signatures.

I shall now read a copy of a letter addressed to Mr. Armand Cloutier, on March 23, 1946:

We, the undersigned, Liberal organizers for the St. Eugene de Grantham parish, Drummond county, have signed a petition on March 17 asking that Mrs. Gaston Poudrette be appointed permanent postmistress in the said parish in replacement of her father Mr. Adélard Forest, who has resigned. We respectfully ask the federal member of parliament, Mr. Armand Cloutier, to consider this request as null and void until further notice.

We sign as organizers:

And there too, you may see there are six names.

In the meantime, the Liberal organizers had found that Mrs. Forest had married a Conservative. Imagine the scandal. Surely the wife of a Conservative could not be allowed to secure the appointment as postmistress. And so, on March 25, 1946, Mr. Armand Cloutier, member for Drummond-Arthabaska, wrote to the Postmaster General as follows:

Hon. Ernest Bertrand,
Postmaster General,
House of Commons,
Ottawa, Canada.

Sir,

You have no doubt received a letter from Mr. Adelard Forest, postmaster of the St. Eugene of Grantham municipality, Drummond county, who is tendering his resignation and wishes to recommend his daughter, Mrs. Gaston Poudrette (Yvette Forest) for this position.

In view of the difficulties that would result from this appointment at the present time, I would ask you most respectfully to kindly accept the resignation of Mr. Forest and to appoint his daughter, Mrs. Poudrette, only as acting postmistress.

When those difficulties have disappeared, I shall recommend Mrs. Poudrette for permanent appointment.

Yours sincerely,

Armand Cloutier, M.P.,
Drummond-Arthabaska.

The following letter was also addressed to Mr. Adelard Forest, under date of March 25, 1946:

Mr. Adelard Forest,
Postmaster,
St. Eugene de Grantham,
Drummond County, Que.

Dear Sir,

Please find enclosed copy of the letter I am sending to the Postmaster General regarding your resignation and the recommendation in favour of your daughter, Mrs. Poudrette, who will replace you as acting postmistress.

I deeply regret not being able to recommend her permanent appointment since all members of the St. Eugene de Grantham Liberal organization have signed a counter petition asking me to cancel their signature on the petition they had signed on March 17, and to leave this appointment in abeyance for the time being.

This delay is unfortunate for you, but you must realize that I had no alternative under present circumstances, since the municipality of St. Eugene is deprived of a postmaster following your resignation, and since a substitute had to be found, at least on a temporary basis. This is why I have recommended the appointment of Mrs. Poudrette to replace you.

I am sending you copy of that counter-petition. You may meet these gentlemen and if they want to recommend that Mrs. Poudrette be permanently appointed, I shall be pleased to have her appointed.

As you note, Mr. Chairman, there was no patronage at the time the Liberals were in power. Not at all. I go on reading that letter:

I regret very much not having been able to take that decision, but you will understand as I do that even if a member has complete jurisdiction over his constituency, he has to work through the organization of the area—

Mr. Chairman, that is the same method now being used under Mr. Lesage's regime. And I go on:

—which contributed to his victory.

Mr. Chairman, that must hurt the hon. member for St. Denis (Mr. Denis), since he is now leaving the house.

Mr. Denis: Not at all.

Mr. Ricard: And the letter continues:

As I said above, when these gentlemen wish to have Mrs. Poudrette permanently appointed, they only have to advise me and you may be sure I will be pleased to take the necessary steps.

Sincerely yours,
Armand Cloutier, M.P.,
Drummond-Arthabaska.

Mr. Chairman, here is the last letter I intend to read. It is dated May 28, 1946:

Ottawa, May 28, 1946

Mrs. Gaston Poudrette,
St. Eugene of Grantham,
Drummond Co., Quebec.
Dear Madam:

I regret to advise you that Mr. Remi Duguay will shortly be appointed permanent postmaster in your community.

I wish to tell you, dear Madam, that I was forced to take such a step by a group of citizens of St. Eugene parish who insisted on such a change. I deeply regret that inconvenience for you; however, I wish to tell you that if you ever need my services I shall always be at your disposal. The same goes for your husband and your father Mr. Forest.

Sincerely yours,
Armand Cloutier, M.P.,
Drummond-Arthabaska.

And it is claimed, Mr. Chairman, that there was no patronage under the Liberal regime which preceded us. At this stage of my remarks I should like to ask the hon. member for St. Denis—and if I am wrong he may correct me—how it comes that his nephew was appointed postmaster in Berthier by the Liberals.

Mr. Denis: That is true.

Mr. Ricard: Mr. Chairman, are we to understand, from what he says, that such appointment was made properly or improperly? The hon. member for St. Denis could certainly have told us yesterday.

Mr. Denis: Mr. Chairman, does the hon. member for St. Hyacinthe-Bagot want me to reply to that question?

Mr. Ricard: You made your remarks yesterday—

Mr. Denis: Mr. Chairman, the hon. member for St. Hyacinthe-Bagot is asking questions, but he does not want us to reply.

Mr. Ricard: Mr. Chairman, the hon. member may ask all the questions he wishes when I am through with my remarks.

Mr. Denis: Mr. Chairman, the hon. member asks questions but he does not give us the opportunity to answer them.

Mr. Deschatelets: He prefers to use innuendoes; it is his way of going about it.

Mr. Ricard: I am surely not using innuendoes. Do you claim that these are mere insinuations? Would you go so far as to question the signature of one of your former colleagues?

Mr. Denis: Mr. Chairman, on a point of order.

Mr. Ricard: You are revealing your true colours.

Mr. Denis: Mr. Chairman, on a point of order—

Mr. Grafftey: Truth hurts.

Mr. Denis: Mr. Chairman, I have no objection to the hon. member for St. Hyacinthe-Bagot asking me questions. However, I feel that when this hon. member puts questions to the member for St. Denis, he expects to get answers. Since I am ready to answer his questions, the hon. member should give me a chance to do so; otherwise he should withdraw his questions.

Mr. Ricard: You will have a chance in a minute to answer all the questions.

Mr. Denis: Mr. Chairman—

Mr. Ricard: Mr. Chairman, the hon. member for St. Denis will have an opportunity to answer all the questions he wants once I have resumed my seat.

The Chairman: Order. I would point out to the hon. member for St. Denis that it is a well-known public speaking device to make statements under the guise of questions.

Mr. Ricard: Mr. Chairman, it has not been only since the Conservative party came to power that the Postmaster General and other ministers have been forced to take disciplinary measures against employees not doing their duty or violating the rules applying to them. In this regard, a well deserved tribute must be paid the present Postmaster General for having done his duty according to his conscience. Is it not a fact that the first postmaster or the first postal employee to be dismissed after the election of the Conservative party was so dismissed as the result of a complaint or recommendation from a Liberal member?

That is how the minister goes about discharging his duties. Therefore, instead of showering abuse upon him, and directing all kinds of innuendoes, as the hon. member for St. Denis did yesterday, we should be taking our hats off to the minister and telling him that he is fulfilling his duties to the satisfaction of all.

I wish the person who was in the gallery yesterday and was so amused by the act of buffoonery being put on by the hon. member for St. Denis, were here today and gave other members the same publicity he gave to the clowning of our friend from St. Denis. But this man is here only when it suits him. I therefore appeal to his colleague who I feel is more imbued with a sense of duty towards his obligations and is more capable of following the dictates of his conscience rather than being beholden to a party.

And now, Mr. Chairman, I urge all hon. members in this house to make constructive criticism and refrain from following the example set by the hon. member for St. Denis.

Mr. Boulanger: I should like to put a question to the hon. member for St. Hyacinthe-Bagot. He did not say anything about the 90 per cent increase in rates for parcel post; I wish he would give some explanation in justification of that increase.

Mr. Ricard: Mr. Chairman, it is no part of my duty to discharge here responsibilities that belong to the minister personally. I am not the Postmaster General and I know that he has all the necessary qualifications and knowledge to justify his stand, and I am sure he will give complete satisfaction to anyone who might want information.

Mr. Boulanger: I know perfectly well that the hon. member for St. Hyacinthe-Bagot is not the Postmaster General and that, having no responsibility whatsoever, he can say anything.

Mr. Deschatelets: Mr. Chairman, I have just heard the hon. member for St. Hyacinthe-Bagot make one of his usual wild speeches. He congratulated the Postmaster General for the $13½ million deficit which was announced yesterday. He commended the Postmaster General for having contributed to unemployment through the introduction of mechanical devices and automation. And he said he was quite satisfied with that situation.

I noted some words he used in his speech, such as: clownery, stupidity, misrepresentation, inaccuracy, exaggeration, imprudence and patronage.

Mr. Ricard: I had no choice, I had to use those words.

Mr. Deschatelets: He voiced the complaints of the Union Nationale and the Tory party. Now, I do not intend to follow in his steps. The member for St. Hyacinthe-Bagot, as I said had accustomed us to that kind of wild and rather ridiculous speech. There is in his constituency a bogey-man roaming around, frightening children, telling them that their catechism may be taken away from them.

Mr. Pigeon: Nothing surprising in that.

Mr. Deschatelets: All those who come from those parts are rather used to his blunders. I would not make too much of it.

Now, for my own remarks. Mr. Chairman, we heard yesterday the speech of the Postmaster General which was as cold as a tombstone, which might have been delivered by a large corporation executive, which had no warmth at all nor human touch. Fortunately, the hon. member for St. Denis followed with an extensive study of the department.

I wish to congratulate the hon. member for St. Denis not only for the objective criticism he made of the administration of the Post Office Department, but also for the constructive suggestions he offered. If I wanted to give a piece of friendly advice to the minister, I would suggest that he not take too lightly the suggestions of the hon. member for St. Denis, but that he consider them seriously, that he weigh them carefully, and I am inclined to think that, should he implement the suggestions made yesterday, it would really be to the advantage of the department he administers.

Mr. Chairman, I was elected in 1953 to represent the constituency of Maisonneuve-Rosemont in this house, the same year as the Postmaster General. I have seen him in action as official opposition critic from 1953 to 1957, and I remember that he used to criticize relentlessly. His criticism was often unfair and always very bitter. I am sure that today the minister would like to strike out of *Hansard* certain pages containing the speeches he made between 1953 and 1957. Today, he realizes that he was lacking in experience and that most of the time he was talking through his hat and making many irresponsible statements. After four years in power he realizes that the Post Office Department is made up of human beings, that there is no such thing as perfection this side of heaven and that, in his department especially, there is the constant possibility of error because year in and year out employees handle millions of documents and letters. That is what we used to tell him from 1953 to 1957, in reply to his gibes and that is what he is now learning at his expense.

As the saying goes, "as you make your bed, so you must lie on it". Well, the minister has made his bed with bitter and irresponsible and often baseless remarks, so he should not be surprised today to find the mattress rather hard. I must say he has certainly deserved our criticism, though our remarks are free from the bitterness he used to display.

A good Postmaster General must at the same time be a good administrator. He should be able to honour his pledges, and also display great humanity in his relations with his staff. The Postmaster General, a good administrator? I want to be fair with him. I only ask him to prove it. He has been Postmaster General for four years now and he has not yet done so. A man who is true to his promises? I have before me four or five clear cases of promises he made while he was sitting on this side of the house. In the four years that he has been Postmaster General, he has done nothing to keep the promises he made at the time. A man who treats his subordinates humanely? Well now, every single time he has a chance to do so, the Postmaster General shows a positive eagerness to experiment with this, that, or the other thing. He would like Canada to take the lead in mechanization, in automation. We are left with the impression that his dearest wish would be to operate his department without the services of any employees, by using machines only, with perhaps only one man to push buttons, providing that person would be himself, the member for Notre Dame de Grace. That is the impression we have.

In this regard, I would tell him that we are not in a favourable period for experiments of that kind. If he does not yet know it, we are now going through the worst unemployment crisis ever experienced since the Conservative or Tory depression of the thirties. This is no time to try to find means of getting rid of employees. On the contrary, it is a time when we should be seeking ways to give jobs to as many people as possible, and see that the government sets the example in this respect.

But before dealing with this matter of mechanization and automation, I wish to make a few comments on certain particular topics. For instance, first of all, the operations of the post office savings bank. On page 48 of the minister's report, we find that the number of depositors has steadily gone up from year to year since 1958. We remember that, when the minister was sitting on this side of the house—the official record is there to show it—he felt it was preposterous to maintain that post office savings bank because, he used to say, it was unnecessary competing with the chartered banks. "The banks are able to provide all necessary services to the public; that post office savings bank is therefore useless", he used to say. Well today the banks have increased their services to the public. Therefore, if this was true between 1953 and 1957, it is even more so today. Today, we can drive over to a bank even at night

and make a deposit. And if the banks have so increased their services to the public, it is all the more reason why we should now do away with those savings banks which, according to him, were useless between 1953 and 1957. However, according to his report, he tells us that the question is still under consideration. He acts just like his other cabinet colleagues and, when a problem arises, he shelves it and says: When the time comes, we shall inform the house about it.

I am asking him to tell us in the course of his remarks, whether he still believes that savings banks should be abolished. Does he feel that they should be maintained or does he not? Were the criticisms he made from 1953 to 1957 simply for political or election purposes? This is what we would like to know.

Mr. Chairman, there is another problem that held by attention. It is the work done by casual employees and flying squads commonly referred to as "call girls" by some postal officials. This is the point I wish to make. In view of the present serious situation, I would ask the minister to see that widows are employed on those flying squads, and as for casual workers, to see that his department give work to needy widows and unmarried women. He must also make sure that workers taken on are really in need of work. As far as casual workers are concerned, I trust that he will see that priority is given to persons with dependents, in order to ease, as far as possible, the distress of our citizens in a time of unemployment.

Mr. Chairman, the hon. member for St. Denis raised the question of thefts that are so often committed in post offices. If I am not mistaken, the report mentions that the number of these thefts is on the increase. I must say that I, for one, was the victim of one such theft. I have here a letter dated from Rawdon on October 19, 1960, and signed by the manager of the Canadian National Bank of Rawdon. This is what he tells me:

Dear Sir:

A cheque, bearing your signature, payable to G. A. Perreault, from St. Emile de Montcalm, for the sum of twenty dollars and forty-nine cents ($20.49) has been lost or stolen during a theft committed on the postal truck on August 23 last.

This shows that the improvements that the minister thought so easy to bring about while sitting on this side of the house have not been made.

What I find more serious in the complaints that the Postmaster General was voicing when he was in the opposition is that he was then suggesting that neither the postmaster general nor the previous government were taking enough care of the moneys taxpayers entrusted to them. But today, he is in charge and the thefts have increased. I will not be as cruel as he was to the late lamented minister, Mr. Côté, or the past minister, Mr. Lapointe, but I shall ask him to take the necessary steps in order to try and improve the situation. I would make him this suggestion: I understand that the sub-offices trust the royal mail trucks with sums of money to be delivered to the main office. I wonder if that is not a direct invitation to robbery.

I am wondering whether the moneys from sub-offices could not be deposited in the banks so that the funds could then be transferred by cheque?

I ask him to pay particular attention to this suggestion which, I think could bring good results.

Now, the minister said, trying, I suppose, to lessen his responsibility, that thefts in general have increased in Canada in 1960. On this point, I have an article published in the Montreal *Star* for January 6, 1961. We find that in the Montreal caisses populaires the number of thefts were fewer by two than the previous year, simply because the caisses populaires now have an effective system of protection.

It might be a good thing if the minister inquired into the methods being used by the caisses populaires to cut down on the thefts of funds.

Mr. Chairman, between 1953 and 1957, the minister was often heard on the subject of twice daily deliveries of mail in urban areas.

He has now been heading this department for four years and nothing has been done. That is another unkept promise, one gone with the wind.

He used to say then that large cities are not to be likened to small peaceful villages, and that the department was bound to give full service to the taxpayers who are paying for it.

Let me ask him today whether he has gone back on the promise he then made, more particularly to the voters in Notre Dame de Grace.

The absence of the twice daily delivery service is hard to believe. Soon he will have to face his electors and the question is bound to come up.

I would ask the minister whether or not he was serious about this matter when he

was in the opposition. I ask him today to answer.

The hon. member for St. Denis raised the question of scooters or mailmobiles. He both stated and proved that this vehicle is depriving 19 men of a job. The minister tried to justify their use. I thought I might read in the house a letter I have here—naturally I cannot identify the person who wrote it—which gives an accurate picture of the services rendered by these machines.

(Text):

These machines are known under the name of pushmobiles as hardly a day goes by without one of them having to be pushed or towed in. The worst of the lot—

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, would the hon. member identify the person who wrote this letter?

(Translation):

Mr. Deschatelets: Mr. Chairman, the minister realizes full well that I cannot reveal the name of the person who signed that letter.

However, I am going to use it just to show the usefulness of those machines. I think the minister should be the most interested person in this matter.

The Chairman: It is against the rules to read a letter without revealing the name of its author.

The hon. member might possibly say that he has secured an opinion in that regard, without however reading the letter; but he may not read a letter without indicating where it comes from.

Mr. Deschatelets: Mr. Chairman, I accept your ruling but, before the estimates of the department are passed, I shall memorize this letter; I think I may have an opportunity to read it to you.

Mr. Johnson: You will never have enough time.

Mr. Deschatelets: ...without being obliged to reveal the name of the person who sent it to me.

Now, Mr. Chairman, I should like to refer to a system which is very close to the heart of the Postmaster General, mechanization and automation.

(Text):

Right after the next federal election the story of the administration of the Postmaster General will be written. It will certainly be a sad story, if not a bedtime story. Anyway it would be summed up in two words; "an era of mechanization" in the postal services.

At this time I should like to establish that it is far from being proven that such mechanization has a real, practical economic value. As I said previously, in this period of urgency I think the Postmaster General should endeavour to use other means of running his department than trying to establish a system which has the result of putting people out of work. I should like to mention here an article which has appeared in *Le Soleil* of December 16, 1959, in which Mr. E. Arthur Racicot, a doctor of physics and mathematics at the University of Toronto, had this to say:

(Translation):

—machines should be built to meet the requirements of industry; it is not industry that should be adjusted to the possibilities of a machine.

And the speaker went on to say:

I may be naive, but it seems to me that the business of a real administration is to control the progress of a company in order to make it efficient.

(Text):

As far as mechanization in the postal service is concerned, it may be that the automatic facing up of letters could render a very good service, but as far as the electronic sortation of letters is concerned the situation is somewhat different. I understand that a large sum of money has already been spent on research work in the post office laboratory in Ottawa. I believe it amounts to nearly $2 million and the project is so far, I am told, only at the stage of experimental installation.

There was an article in the *Financial Post* stating that this machine is being developed by Canadair Limited in Montreal with a view to a number of similar machines being ordered for installation in post offices. I should like the minister to give us more details about the plans he has in mind concerning the installation of these machines.

I was saying a few minutes ago that it is far from being proved that the installation of these machines—and I refer particularly to machines for the electronic sortation of letter mails—will have a real economic value, because every letter would have to pass through a coding machine manually operated. An invisible code is placed on each letter. This takes time and training, and I think an experienced sorter could sort a letter himself as fast as an operator could code a letter. Between 40 and 50 per cent of the letters mailed at a city office are for delivery in the city of origin. Therefore to code all the letters is a useless task, especially if, as anticipated, they could be processed by a machine which would automatically face them up. Of the balance, of approximately 50 per cent or 60 per cent, I think nearly 80 per cent are destined to the larger cities. These could readily be sorted without the necessity for any coding. Therefore this expensive installation is really being developed to take care of approximately 10 letters in every 100.

I am saying this so that the minister may review his plans for mechanization in the light of the testimony of an expert. What I

am saying now will be on the record, and if, as I think will be the case, mechanization at this time is recognized to be a failure the minister will have to take responsibility for it.

(Translation):

Now, Mr. Chairman, in closing my remarks, may I again express to Post Office Department employees my appreciation for their unfailing kindness and courtesy. I believe that the way they handle the mail deserves commendation and that postal employees are entitled to congratulations.

They may well be the country's best servants. I also know the morale of postal employees is quite low and I am very sorry for it, but I ask them to keep on working, to be patient, and to continue suffering in silence because soon I hope, a radical change will take place at the head of their department, which will be of benefit not only to them but to all of Canada.

Mr. Johnson: Mr. Chairman, the hon. member for Maisonneuve-Rosemont who is usually polite, would perhaps allow me to ask him a question. I heard him just now refer to the flying squads of the Post Office Department in Montreal. I would like to give him a chance to clear up a point. Since he is a very able and successful criminal lawyer, as I am told and am prepared to believe, he must surely be familiar with the meaning of the term "call-girl". It might therefore be appropriate if the hon. member for Maisonneuve-Rosemont were given an opportunity to assure us that he certainly did not want to imply by this word that postal employees use this word in any derogatory or abject sense with reference to the women who serve on the Post Office Department flying squads. It would surely be regrettable if some people thought this was what the hon. member had in mind. If he cares to answer the question, I will ask him this: "What does he mean by this term "call-girl"?

Mr. Deschatelets: Mr. Chairman, I thank the hon. member for Chambly-Rouville for asking that question. I did not think the matter needed clarification. It might be necessary for certain puritans. However I know he is not one, but since he is speaking on their behalf, I will say this: They are ladies, women who work after having answered a phone call.

Now, the term "call-girl", rightly or wrongly, is popular at the present time in post offices; it obviously has no basis on facts, there is no harm in its being used that way and as postal employees have so little opportunity to laugh a bit and enjoy themselves, I think that this designation can still safely be used with no harm to any one.

[Mr. Deschatelets.]

Mr. Johnson: I think the hon. member for Maisonneuve-Rosemont does not mean—

The Chairman: Order. The hon. member for Edmonton West—

Mr. Lambert: Mr. Chairman, it is not my intention to refute in any detail the criticism made by certain members of the official opposition about the operations of the Post Office Department, because others are more qualified than I am to do so.

However, I should like to say that, in listening to the criticism made by the hon. member for St. Denis (Mr. Denis), I had the impression that in some parts of his speech, especially about patronage, I was listening to a speech on sin by the devil. I could also make other comments about his remarks on mechanization and automation, as well as about the remarks made by the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets), who asked that mechanization be discarded and that some devices used in post offices be removed in order to guarantee employment.

Well, if that were put into practice, I think we would go back to the horse and buggy era, or to the full use of labour.

(Text):

There is only one small thing I would like to suggest to the minister. First I would acknowledge that, contrary to what has been said about the morale of postal officers throughout the country, in my particular region I enjoy a very favourable relationship with them. I have received the utmost courtesy from them, and certainly none have complained to me as to their positions. As a matter of fact the situation is rather to the contrary. I have had very laudatory letters about the administration and consideration that this government has given to the postal employees.

The one point I would like to bring to the minister's attention is to suggest that in the regulations which are now interpreted as being in force in respect of direct carrier service to new subdivisions, perhaps a different principle should be applied. Some years ago when I moved to a new subdivision, and I was one of the first there, I had to wait ten or 11 months for postal service, and was highly incensed about what I felt was a rather high and mighty attitude in respect of postal delivery service taken by the department. It seemed to me that the service was provided the citizens of this country through the beneficence of some benevolent power and one had to petition and finally, if all things were done according to the regulations, perhaps postal service would be furnished. When I indicated that I

felt that the Post Office Department might be interested in our affairs in the same way the milkman, the newspaper boy, the baker and magazine salesmen were, who after all do not run a greater risk of falling down a drainage ditch or a sunken excavation for a sewage system, these excuses of regulations were given to me as to why services could not be provided until a red carpet was practically rolled out for the postman.

May I say in all fairness that I think there has been some adjustment in this regard, and that the regulations are not now so stringent. I would point out, however, that when people move out to new subdivisions they move there permanently and are not likely to try to escape or run away; and if the milkman, dry cleaner, baker and newspaper boy find it possible and convenient to get around, not only by machine but on foot, in areas where streets and fully completed sidewalks do not exist—after all these subdivisions are not built exactly in swamps or quagmires—perhaps mail service could be provided a little sooner than has been the case. I know there are the group box systems which do provide welcome relief from the full application of the restrictions, but I suggest to the Postmaster General that this matter could perhaps be reviewed so that somewhat more rapid service could be provided in the urban subdivisions. I am particularly interested in this problem because the area in which I live is one of the fastest growing urban areas in the country, and I have received many complaints and met with many difficulties in this regard.

Mr. Herridge: Mr. Chairman, may I call it one o'clock.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Herridge: Mr. Chairman, I listened with great interest to the minister's speech and I noted with what pride he dealt with the achievements of and the developments in his department. As a matter of fact, while he was speaking I could not help but have several Shakespearean couplets run through my mind. I cannot take time to deal with those which came to mind except to say he did remind me of Henry V addressing the troops before the battle of Agincourt; and I paraphrase: "Here we come; here we fight; here we stay to fight again another day".

However, Mr. Chairman, I think it is a truism to say that the minister is a minister of socialist enterprises. I was glad to note how proud he was to be the minister of such a department, one of the most successful departments of the government because there is so little controversy as to policy. If only that principle could be applied, say, to the department of the Minister of Public Works, what progress we would make in this house.

When the minister was speaking I expected for a moment or two to see another halo descend around another member of the cabinet. I have seen a picture of one around the Prime Minister and I thought possibly the Postmaster General was likely to have one descend on him. However, while he was speaking the door of memory was held ajar. What a contrast between the minister of today and, shall I say, the ordinary member of almost yesterday who held up the estimates of the Postmaster General for two days almost single handed. We sat close to one another. I heard his every word and witnessed his every action, two days of caustic criticism of the Post Office Department for failing to have twice-a-day mail delivery. I do not think we yet have twice-a-day mail delivery across Canada. His captious condemnation of departmental administration and what I thought at that time was his callow, ceaseless carping on the details of the departmental administration, about which he apparently knew very little, come to mind.

However, we now have a symbol of democratic evolution. We have a demonstration once again, so often found in British history, that with the descent of the mantle of office come responsibility, understanding and appreciation.

Before going on with my further remarks, I must say that I appreciate the minister's prompt and courteous attention to any matter or complaint that I have brought to his notice. I cannot help but remember, though, that on one occasion he was a bit snappy with me. Later, when he found out I was right, he came and told me so; he wrote me and told me that I was right and I appreciate it. I tell him quite sincerely that all is forgiven.

Mr. Hamilton (Notre Dame de Grace): Thank you; I have so much humility.

Mr. Herridge: I must also express my appreciation of the work of the Ottawa district staffs throughout the country and even of the humblest employee. When we are discussing estimates like these we must remember that this department functions only as a result of co-operation between the top and the bottom, and even the humblest employee carrying the mail and doing these

other tasks, which are necessary to perform this great service, is from the democratic socialist point of view—I do not know whether it would be from the point of view of the Minister of Public Works—performing, as the minister is in his position, an equal and necessary service for the state.

Mr. Walker: Perhaps I had better retire. I came in this afternoon out of great respect and admiration for the hon. member for Kootenay West. I wanted to hear his speech but apparently I am drawing his fire. I would just like to sit quietly and hear him perform. It is not necessary for the hon. member to address his remarks to me; because in due course he will have two or three weeks in which to hold forth on my estimates.

Mr. Herridge: I appreciate the minister's comments. We shall look forward to that opportunity in due course, but I made the remarks because of the smile on the minister's face. I thought he was agreeing with me.

Mr. Walker: Good will.

Mr. Herridge: I do suggest, as I think any fair person who has had any association with the Post Office Department realizes, that in recent years there has been a great improvement in morale. There was a period at one time when I and others considered that the morale of the postal employees was pretty low but there has been a general improvement owing to improvements in administration and working conditions and also improvement in the relations between the officials at the top and the humblest employee at the bottom, which means a great deal. I hope the minister will give every consideration to the needs and proper requests of a devoted and loyal staff throughout the country with respect to salary increases, working conditions, pensions, seniority and things of that sort.

I want to say a word or two about the annual report of the minister's department. First of all, let me say that I think it is most attractive. It is well organized as far as material is concerned, its format is excellent and it is well written. In my opinion a report of this type is an example to some other departments so far as the drafting is concerned. Anyone can read this report and get a general understanding of how the Post Office Department functions, and as far I am concerned I have no hesitation in giving all credit to the persons who compiled the report and to the printers. It is an excellent report. If by any chance the Postmaster General had a hand in this matter I will include him in my congratulations.

Without any doubt the efficiency of the department has been increasing over the years, resulting naturally from the expansion of the department, from experience and from changed circumstances, particularly the use of motor transport in highway service and things of that sort which make it possible for the department today to provide services that would not have been economic 10, 15, 20 or 30 years ago.

I think efficiency has been improved as a result of greater departmental diversification into more branches and the decentralization of the administration which I have noticed going on in recent years with respect to various facets of the department's operations and with respect to area or geographical administration. I think that the closer you can get the administration to the persons who are being administered the more satisfactory and efficient the administration is likely to be.

I wish to say a word or two about the engineering and development branch which has to do with buildings, equipment and things of that sort. I have read the report very carefully in that connection. When the minister replies to the various speeches that have been made will he assure the committee that there is no overlapping or duplication with the Department of Public Works? I should like him to define clearly for the benefit of hon. members the relationship between the engineering and development branch of the Post Office Department and the Department of Public Works. I notice that the Minister of Public Works is listening very attentively and I am pleased.

Mr. Walker: Just for old friendship's sake.

Mr. Herridge: I am interested in this matter because I know that, according to Parkinson's law, there is a tendency to build up branches and for duplication and overlapping to occur. I mention this matter because I have noted one or two things and have had one or two things brought to my attention.

We will say that a site is being chosen or alterations to a building are being considered by the engineering and development branch of the Post Office Department and naturally by the Department of Public Works at the same time. It has been drawn to my attention that an official of the engineering and development branch will visit an area and then later an official of the Department of Public Works will visit the same area. If there is any correlation between these departments I suggest it would be a good idea to have the two officials visit the sites or the buildings together.

Because it is the people's money that is being spent and because it is the local people who are directly concerned with the new

building or improvement, I also suggest that the local authorities should be consulted, whether it be the municipality or, if there is no organized community, a responsible body like the chamber of commerce or in certain cases a trade union or some other local organization. It is very irritating to local people to wait anxiously for years for the erection or the improvement of a building and then to read in the local paper that so and so from the Post Office Department visited the area in connection with the matter last week, or so and so from the Department of Public Works did so. Therefore I suggest that, if possible, these officials should visit these sites together and that there should be consultation with the local authorities or with the appropriate local organizations.

I have had it brought to my attention by quite responsible people, in fact on occasion even by supporters of the Conservative party who very often consult me in my riding, particularly about the Columbia, that these officials come and, as it were, steal away in the night unsung, unheard and unknown until the people read about their visit in the local paper. I should like the minister to explain the relationship between this branch and the Department of Public Works.

There is another branch mentioned in the report which was established in more recent years. I am not quite sure whether it was set up under the administration of the present minister although I think it was commenced before he became the lord almighty in this department. I refer to the public relations branch which is a very useful one. I have met members of the staff of this branch at various larger centres when they have been engaged in presenting an excellent exhibit and giving out information that created a better understanding of the administration of the department and how it functions. However, I have a suggestion to make in this regard, and I may say I am in a rather bright mood today. I had a good sleep last night.

I suggest that the officials would be well advised to visit the smaller places in my constituency. They have gone to places like Rossland, Trail and Nelson—very important and nationally known centres—but many of the smaller communities have not had the benefit of this service. If it is possible, I suggest that these officials should visit the smaller centres where many people congregate for certain annual local events such as fairs and events put on by women's institutes. I am a great believer in getting the co-operation of the women's institutes in things of this sort because in my experience I have always found the ladies a great spur to understanding and action. In passing I might mention the important Inonoaklin valley fair held at Edgewood which draws people from a large area and which would be a very suitable centre for such activities. Then there are the Nakusp women's institute fair and the New Denver and Kaslo fairs. These fairs, in conjunction with those at Nelson and Rossland, are on a circuit. They all run consecutively during the month of September. I suggest it would be very easy indeed to have the officials who go to the Kootenays make the rounds of all these fairs. In that way they would inform a large number of people. At the same time the exhibit would be a nice contribution to a small fair. You will find that in the smaller places people pay a lot of attention to these things and are interested in them. So I make that suggestion to the minister in the very best spirit.

I have got to begin now to turn nasty, shall I say. I want to mention the question of patronage. Mind you, I give the government great credit in many respects for resisting the claims of those who would like to return to the days of patronage. I consider patronage an evil in a modern democratic society but I realize the difficulties. This matter has been brought to my attention even by some Conservatives and also by veterans and other citizens and I should like to mention one example. In fact, it is the only case in the minister's department that has been brought to my attention since I have been a member. I said I would raise this matter in the chamber. It is in connection with the appointment of a person to the post office in Trail.

I understand these appointments come under the civil service. You must remember that in Trail, as in other places, we have capable men and women, unfortunately including some members of the Progressive Conservative party, who are unemployed. The wife of the campaign manager of the defeated Conservative candidate was appointed to a position in the post office. Her husband is the principal of the high school, I am informed, and I understand he receives a good salary. I am not questioning the right of anyone to work, but under these circumstances it is most irritating to veterans, widows and young men and women who are seeking employment to find someone appointed to a position like this, particularly when the people are under the impression it was a political appointment. I should like the minister to inform the committee if there was a civil service examination in connection with this appointment. If there was, would he give us the names of the persons who wrote the examination and their marks, because there has been considerable criticism of this appointment. I said I would bring it to the attention of the minister.

In my opinion, patronage is something that should not be tolerated. I know all the weaknesses of human nature and it is very easy to drift into this situation. I give great credit to the former minister of public works for resisting all the pressure that was brought to bear on him in this connection. He is a man of great character and he stood against it. A party that stands against patronage benefits from that stand because you might please one person by a political appointment but you would create a great deal of dissatisfaction. I believe also that anyone who practises patronage under present day circumstances should be ashamed of himself.

Some hon. Members: Hear, hear.

Mr. Herridge: I am glad to hear the shouts of "hear, hear" from the government benches opposite me.

Another matter to which I should like to direct the attention of the minister concerns the appointment of casual employees to the smaller offices. I understand that these people are paid by the department. I have had a number of associations, women's institutes and veterans' associations, bring this matter to my attention. I understand the veterans' preference is not being respected with regard to these appointments. I do not know whether or not this preference applies directly to these casual helpers, but these casual helpers usually end up on the permanent staff. I am speaking of post offices in which there is a postmaster and anywhere from two to five employees.

One instance which was brought to my attention concerned a person who was not a citizen and who was appointed as a casual employee. At the same time there were quite competent people, such as non-pensionable widows, who might have done the work. I do urge that consideration be given to this matter. When the minister replies, I should like him to inform me as to the basis on which casual employees are appointed to the smaller offices where, apparently, the postmaster is left on his own to make the selection and make recommendations. I should like to know whether or not, after these people are appointed, they come under the terms of the Civil Service Act or if any consideration is given to the veterans' preference.

I want to mention the buildings. I read something in a newspaper a day or two ago to the effect that Mr. Grosart had recommended that communities wanting post office buildings or public buildings should get in touch with their local Progressive Conservative Association. If he did that, he ought to be ashamed of himself, and I have no hesitation in saying so.

Mr. Speakman: Where did you read that?

[Mr. Herridge.]

Mr. Herridge: I have the newspaper up in my office, and I will ask another hon. member to deal with it later. In so far as public buildings are concerned, I usually listen to the representations of the chambers of commerce, the municipalities and other organizations. I can truthfully say that I make it a pracitce never to ask a minister to consider any such representations until I, personally, have visited the area and been convinced, in my own mind, that the building was essential. I have followed this practice throughout the years. I have been very fortunate in having this non-partisan spirit accepted in that respect. The chambers of commerce, women's institutes and municipalities have all respected men—not me personally because some of them think I am a bit odd—as the representative of the constituency. I believe that any lack of respect for a member's office disregards the principle of democracy and shows a lack of respect for the principles of democracy. I trust that Mr. Grosart's recommendation is not accepted by the communities or by the members of this house.

I want to say a word or two about stamps. I have quite a number of constituents who are very keen philatelists. In fact, any letters that come from foreign countries have to have their stamps removed carefully and I apportion them out every so often. As a matter of fact, my secretary and I have a sort of monthly circuit that we follow in apportioning these stamps. Not long ago the Trail Smoke Eaters won the world hockey championship and I asked the minister, at the request of the local people, if he would consider overprinting a northern development stamp or some other stamp as a means of celebrating this important victory.

This is the 60th anniversary of the founding of the city of Trail. It was most interesting that the Trail Smoke Eaters, a team composed mostly of smelter workers, should win the world's hockey championship for the second time. The minister said he had looked at the fire brigade stamp, and that was not appreciated by some of my constituents. Some of my philatelist friends in Trail have sent me this stamp issued by the government at Geneva celebrating this victory, yet the government of Canada does not even consider it worth while issuing such a stamp. Then, again, I have three stamps sent by other philatelists—I will send them over to the minister if he will promise to send them back because they must be returned—issued by the Soviet union to commemorate the winning of the world hockey championship by their team in 1957. I have told my constituents who belong to various philatelic societies, as well as the hockey fans, that I would raise the matter in the

house again and ask the minister if he did not think we could do as well as the Soviet union in recognizing the achievement of a great hockey team like the Trail Smoke Eaters.

I wish now to deal with one or two local issues. There has been in the city of Rossland a lot of interest with respect to the proposed new post office building or the alteration of the present one. The citizens generally are very favourably disposed toward the present site because it is central. Rossland is a city built on the side of a mountain, so one does not have much scope with respect to a site. The citizens are interested in maintaining the post office at the present site. I should like the minister to say what has happened to date in respect of the improvement of the present building and what the department is proposing. The village of Fruitvale, a prosperous and growing community in a beautiful valley south of Trail, also has a great need for new post office facilities. The village council, rotary club, chamber of commerce, women's institute and all the other community organizations are very anxious to see a new post office building erected in Fruitvale to meet the needs of this expanding community. I should like the minister to inform the committee what is being done in this connection. He mentioned that the matter was being investigated and wrote me to that effect. I appreciate that, but for the information of my constituents I should like to know what is the state of affairs at the present time.

I must say the building of these small post offices was an excellent idea. The buildings are a credit to the Post Office Department and the Department of Public Works, and they are appreciated. Small federal buildings in small communities intrude the personality of the government of Canada into these small communities. I think this program has been very worthwhile and I am glad to hear that other hon. members agree.

I have heard number of people mention that Canada is so vast that many local people are perhaps hardly conscious of the services and importance of the federal government of Canada. I think it was an excellent thing when the department decided to erect these small buildings in the smaller communities to a greater extent than ever before.

I want to mention one or two other matters. I have been asked to bring to the minister's attention the necessity for improving the ventilation in the Nelson and Trail post offices. Trail is the warmest part of our constituency because of our topography. Trail is located in the bottom of a valley and sometimes becomes very hot in the summer months. That post office requires particular attention in this regard. I suggest that air conditioning be installed, or that there be an increase in the number of fans.

With respect to the Nelson post office—and I have been all through it and talked to the various people about it—there is still an unsatisfactory state of affairs with respect to ventilation owing to the lint that comes from the sacks which arrive there. I think it is the centre in which the sacks are opened, and then they are redistributed to other points and taken by mail carriers to various parts of the constituency. However, there is still some complaints about the amount of lint that is floating around in the air. I have no experience of this, although I have visited the post office, but I am told it is quite inconvenient at times and I bring this matter to the minister's attention.

We appreciate the rural mail services. I like the approach to these services and the changes suggested. I notice that the minister has had the local people sign a petition in order to express their wish for this or that service in respect to the arrival time of mail. I think this is an excellent suggestion. It gives the department an opportunity to accurately assess local opinion and determine whether these people would like the mail to come in at a certain time or later. I appreciate that being done, and so do the people.

At the Nakusp post office a petition was signed regarding whether the mail should come from Nelson at a certain time or later. Many people thought this was all right. Some were in favour of one time and some were in favour of another. The majority were very emphatic in one direction. But the point is. they were consulted. They felt they were consulted, and they were.

I think this is an excellent way to solve many of these problems that arise in local communities, where perhaps one or two people are listened to who are not always giving the department the accurate public opinion.

The residents in the Inonoaklin valley have asked for a daily mail service. The minister is looking into this matter. It is a growing community and I trust this question will receive favourable consideration.

I will cease at this point, Mr. Chairman, and look forward to the minister's reply. In the meantime I shall sit here and watch his beaming countenance with interest.

Mr. Speakman: Mr. Chairman, I should like to say that I do not give much credence to the statement made by the hon. member who has just resumed his seat. The hon. member's statement was that the article about

patronage appeared under the name of the national organizer of the Progressive Conservative party.

The hon. member asked that a stamp be printed to commemorate the Trail hockey team. I should like a stamp to be printed to commemorate the Lacombe Rockets who are at the moment sweeping their way across Canada in the intermediate championship series and I hope will be selected to represent Canada in the world hockey championship games next year.

My remarks on this item will be brief, but I could not let this opportunity pass without expressing, on behalf of the people of the Wetaskiwin constituency whom I have the honour to represent in this house, their very great pleasure and appreciation in the increased and improved post office services which they have enjoyed over the past three years.

These improvements have consisted of a great many things, but in a rural area, of course, the most important is rural delivery. New rural routes have been established, existing routes lengthened and the service increased from twice to three times weekly. There has been a general improvement throughout our rural services. As an hon. member said yesterday, mail is one of the most important services that people receive anywhere.

Improved post office facilities are being provided, and I would say to the minister that the people of the towns of Calmar and Devon appreciate being provided with the post offices which are now nearing completion. In addition, the proposed new building for which tenders have now been called in the town of Lacombe will be very much appreciated by the people of that town and the surrounding area.

When the new corner mail boxes are placed around the city the residents of the city of Wetaskiwin will express through me their appreciation of the minister and his department. I refer particularly to our senior citizens and the busy housewives, many of whom at present have to walk over a mile to post a letter.

Wetaskiwin is a growing city and is spreading out quite far. With one post office almost in the centre of the city it means a long and arduous walk for many of its inhabitants.

Unlike my hon. friends in the opposition I am not too concerned or fearful of the deficit in the operation of the minister's department, and I do not think the people whom I represent are fearful about it either. We realize that improved services cost money and we are willing to pay our share of those costs in return for the vastly improved services which we have obtained over the past four years.

Mr. Chairman, I could not close my remarks without saying a word about the Post Office Department employees in my constituency. Perhaps, unlike my hon. friends and colleagues from urban and suburban areas, in my rural constituency I know every employee of the minister's department and count them among my friends. I wish to express to them my personal thanks and appreciation for their devoted and efficient service to their patrons.

Mr. Tucker: Mr. Chairman, I shall not delay the committee very long at this time, but I feel I should publicly thank the Postmaster General for the many courtesies I have been shown and the prompt consideration my requests have at all times received since I have been a member of parliament.

I cannot say that the minister has always replied favourably to my requests, but I think he has at all times given serious consideration to them. I think the Postmaster General is trying to do his duty in a manner that reflects great credit to him.

I must also pay tribute to his officials, especially those in my province, from whom I have always received every satisfaction. I would compliment the postmaster of St. John's and his staff for the very efficient way in which they have performed their duties, especially during the Christmas season.

A few changes were made in my riding which looked like political affairs, but I brought these matters to the attention of the Postmaster General and he has handled them in a manner that was satisfactory as far as I was concerned.

In St. John's we have a group of responsible citizens who are sponsoring a "Christ in Christmas" campaign to bring the Christian spirit back to the Christmas season. Membership of this organization is open to all religious denominations in Newfoundland. The committee is anxious to do something to confirm that ours is a Christian country. In this connection, one way in which the federal government could make a great contribution would be to issue a special two-cent stamp for use on our Christmas cards depicting the nativity scene and painted, possibly, by a Canadian artist. I have already referred this matter to the Postmaster General. I understand that at least nine other countries use each year a postage stamp commemorating the birth of Christ. Because of our Christian tradition I feel that Canada also should make use of a postage stamp in keeping with the Christmas season. The hon.

member for Burin-Burgeo also made some comments in support of this organization last evening.

Last year my attention was drawn to the wage rate which the government of Canada was paying to casual help employed at the post office in St. John's, Newfoundland during the Christmas season at the period of the peak load. The rate of $1 an hour straight time was being paid, and this involved overtime work after regular hours and on Saturday, a day which I understand is a regular statutory weekly holiday in the federal civil service. Even on Sundays these casual workers were paid $1 an hour. I understand that the unemployment insurance commission rate is $1.13 an hour and that all hours worked are paid at the straight rate of $1.13 an hour. The government recently introduced a bill making it law for Canadian workers to be paid time and one half for overtime worked beyond the regular work week of 40 hours, provision being made for double time in respect of statutory holidays and double time in respect of Sunday work. Why should the government pay the low rates to which I have just drawn attention?

In order to relieve the dread situation of unemployment, the government called parliament into session last fall and appealed to business and trade people to get any possible work done without delay to help the unemployed. The motto was: "Do it now—why wait for spring?" Yet when the government helps out in this case casual help is hired to get the work done. Despite the need of such help the low rate of $1 per hour straight time for casual post office employees is paid.

The same thing happens when casual employees are hired through the unemployment insurance commission except that the rate has been increased to $1.13 an hour. Why does the post office pay only $1 an hour while the unemployment insurance commission pays $1.13? This is all work done for the same government and paid for by the same government.

The idea exists in Newfoundland that the government finds it has work that must be done within a short time and, noting the labour picture and the large number of persons unemployed and the fact that Christmas was drawing near, has really exploited its position and trust and has taken advantage of the plight of the unemployed seeking casual work by deciding to pay them low rates. Labour rates of $1 or $1.13 per hour are not equal to the rates paid for comparable work in industry. Many of these casuals hired for this period are experienced, educated people but were forced to accept $1 per hour through want and necessity. I do not think that this is right or just on the part of the government and I appeal to the Postmaster General to see that this position is changed.

(Translation):

Mr. Pigeon: Mr. Chairman, I should like to say a few words to congratulate and thank the minister, as well as the staff of the Post Office Department, for their devotion to the Canadian people.

I should like also to thank his office staff, including Mr. Guy Caron who politely replies to our letters or telephone calls, when we are in need of information.

I should like also to draw the attention of the house to the fact that a letter carrier service will soon be inaugurated in Repentigny and Charlemagne, a service which will be very helpful to the people of that part of my constituency.

For many years such a service was expected. Thanks to the co-operation of the Post Office Department, that service will become a reality and the people of my constituency will be on the same footing as that of Montreal.

I should like to emphasize the present situation at the Joliette post office. The staff there is cramped for space, on account of other services which are already set up there. The city of Joliette is growing, and the staff is cramped for space in the post office. In my opinion, the Department of Public works should consider the possibility of enlarging the post office and of increasing its staff.

The possibility of increasing the number of postmen to better serve the city of Joliette should also be considered. Thus, the hours of work could perhaps be reduced and better working conditions be provided for postal employees in Joliette.

I congratulate the government which, since it has been in power, has issued several commemorative stamps that illustrate very well our national history.

Such initiative emphasizes among our young people and the whole Canadian population the names of those who have worked for the greatness of our country.

That is quite a constrast with what used to be done formerly, when stamps were issued to illustrate, for instance, the Rocky mountain goat or some similar thing.

I hope that, in future the government will issue a commemorative stamp at least once a month to illustrate a phase of our national history. I understand that, for a good many

years, the Post Office Department has had great difficulty in stopping the flow of foreign lottery tickets.

If, some day, the Criminal Code were amended to allow lotteries in this country, we would at the same time avoid the spread of foreign lottery tickets in Canada.

Mr. Chairman, those were the remarks I had to make, and once again I wish to congratulate the employees of the Post Office Department who are devoting themselves constantly in the interest of Canada.

(Text):

Mr. Johnson: I have a question to ask the hon. member for Joliette-L'Assomption-Montcalm.

(Translation):

Could the hon. member for Joliette-L'Assomption-Montcalm tell me whether the Joliette post office to which he referred is the same post office which was estimated to cost $152,000, and which actually cost $400,000 at the time Mr. Georges-Emile Lapalme was the member for Joliette?

Mr. Pigeon: I will gladly answer the question put by my hon. friend. His statement is true. Besides, at the time of the erection of the Joliette post office building, which has remained famous in political history, I believe that the Auditor General had strongly blamed the government for what was in fact an example of maladministration. It was even a scandal at the time.

I therefore thank the hon. member for Chambly-Rouville (Mr. Johnson) for having raised this point.

(Text):

Mr. McGrath: I should like to again bring to the minister's attention the difficulties encountered by his department in the establishing of rural mail services. The minister referred to this problem in his opening remarks. I come from an area of Canada where two thirds of the population live in rural areas and I should like to again direct attention to the problem, of vital concern to the Postmaster General and the department, regarding revenue post offices. I am sure that every hon. member appreciates the criteria used in determining whether an area should be provided with a semi-staffed post office which, of course, is housed in a regular post office building under the management of a postmaster who is a member of the civil service.

Most of the postal services in the rural areas of Canada are carried out by revenue post offices, and very often the accommodation provided is grossly inadequate. This cannot be deemed to be the fault of the Postmaster General because, in the final analysis, the individual conducting the business of a revenue post office must supply the accommodation, fuel and other overhead costs out of his income which is usually rather small because of the limited volume of service transacted.

The situation existing in rural Canada today has changed from that of 20 years ago because more Canadians have ready access to jet and regular air travel. As a result of this situation more Canadians are travelling to various parts of this country and the world, and in order to maintain contact with their business associates and families they are using the mail services to a greater extent. I think the time has now arrived, in this situation, for the Postmaster General to give consideration to the problem of devising some means of providing more adequate accommodation for carrying out the services of the revenue post offices.

I must confess that I do not possess the answer, but this is a very important function having to do with the transacting of government business in handling Her Majesty's mail. The service provided by these small post offices directly affects the lives and businesses of Canadians in all parts of the country. Perhaps some means could be devised wherein post offices could be provided—such as small inexpensive, prefabricated buildings—for these small rural areas in Canada which do not qualify for a semi-staffed post office. I feel something should be done so that the unfortunate situation that exists can be rectified. In my own constituency I have often witnessed long lines of people standing outside in all types of weather waiting for the sorting of mail, because the facilities provided are not adequate; perhaps just a farmer's kitchen. This problem is an acute one. I realize that one cannot expect to find beautiful post office buildings in every rural part of this country. However, I do feel something can be done to improve the handling of mail at this level. An improvement in the handling of mail in the revenue post offices would certainly expedite the service and give a tremendous uplift to the people living in areas served by this type of post office.

As an example of the situation which exists I can refer to my own constituency which is, for the most part, suburban to the city of St. John's where annually many thousands of dollars in postal revenue are, for very sound reasons, channelled by businessmen through the city post offices. They feel that the facilities provided by the revenue post offices in their villages are inadequate. One cannot expect a businessman to transact his postal

business—purchasing money orders and unemployment insurance stamps—in some individual's kitchen. I feel that the time has come for a reappraisal of this whole question of revenue post offices because the situation today is not at all the same as it was 10 years ago. I am sure that the Postmaster General in his genial and competent manner will give this problem serious thought, as he always does, and will find an answer at some early date.

(Translation):

Mr. Johnson: Mr. Chairman, at the risk of offending the modesty of the Postmaster General (Mr. Hamilton), and as this is my first opportunity, since my election in 1958, to speak on his departmental estimates, I am taking the liberty of congratulating him.

First of all, I have always been impressed by the human qualities of the minister and especially by the way he runs his department.

Mr. Chairman, like my colleagues, I do not wish to extend this debate unduly, but the fact remains that even though certain matters do not concern the country as a whole, they are nevertheless of importance to the people of an area or even of a riding, and it is with such matters that I should like to deal with for a few minutes.

In the matter of congratulations, I wish to thank the minister for the work done by his departmental officials, under his personal guidance, I am sure, or at least in a general way, with regard to the city of Beloeil and the vicinity. Beloeil is an interesting town on the Richelieu river in Vercheres riding, but forming part of the federal constituency of Chambly-Rouville.

Quite close to Beloeil, is the industrial municipality of McMasterville and opposite, on the other bank of the Richelieu river, St. Hilaire and Otterburn Park.

The over-all population of those four municipalities form a rather important urban area, and I must thank the minister for having given due consideration to the fact that those municipalities, even though they are independent legally speaking, depend on each other economically and socially, because they have common interests. That is what the department came to understand and that is why Beloeil, and other neighbouring municipalities, St. Hilaire, Otterburn and McMasterville, got a letter carrier service. Incidentally, Mr. Chairman, far from taking jobs away, that has meant employment for several letter carriers and several clerks in the Beloeil post office.

Mr. Ricard: Back home also.

Mr. Johnson: Of course, Mr. Chairman, there is a fly in the ointment. Whenever the department decides to organize a postal service and to classify it among the offices with a letter carrier service, certain postmasters or postmistresses may lose their job. True, the civil service commission gives them a chance to write exams and to qualify as postal clerks, but a person may, in certain cases, already be of a certain age and not be in a position to take outside work. Such is the case unfortunately of two persons in the Beloeil area, more specifically in St. Hilaire Station and Otterburn who have, for several years, devoted their energies to the postal service. I am telling this to the hon. members for Maisonneuve-Rosemont (Mr. Deschatelets) and St. Denis (Mr. Denis) because those persons who had been employed under the Liberal administration found themselves temporarily unemployed, being unable to accept a clerical position in accordance with the terms of the Civil Service Act. But they were postmistresses and as such they deserve to have their case examined with complete sympathy. Since positions, attractive enough but insufficiently paid, were offered them, the Post Office Department should take charge of these cases because there are technicalities which cause friction between the Post Office Department and the civil service commission.

That is one of the drawbacks of this system for which personally I have no use, a system under which we have a commission which does not take into account the requirements of the department, for the reason that it is not within the department.

It is time we ask ourselves whether it would not be better to establish an effective personnel service within each department, in order to allow each department to operate on sound business principles. One may wonder if that would not be better than having a civil service commission too prone to disregard the needs of the particular department and which, for want of more flexible regulations, prevents postmasters with many years experience from qualifying for some other work.

I take the liberty of submitting these cases to the minister. I am however, fully aware that this situation existed under the former government as it does today.

Such things will happen, and they do not involve political considerations. But still those are things which bear on citizens' careers

and jobs, and these particular cases deserve to be considered with sympathy by the department.

It may be a good idea when the time comes to revise the Civil Service Act to take into consideration these special cases.

I would also like to talk about the situation of the postmistresses and postmasters in suboffices. In my opinion, they are asked to remain at the service of the public about eight hours a day, and they are too often paid salaries not commensurate with the time they devote to the government's service. As a matter of fact, if, in assessing the postal service we take as a criterion service to the public instead of revenue, we must consider an increase in these postmasters' compensation.

Incidentally, it may be a good idea for the minister to disregard the criticism about the deficit; it is unjustified criticism anyway. If the Post Office Department is a department at the service of the public, its efficiency cannot be assessed only in terms of deficit or absence of deficit, even more when members of the opposition criticize on the one hand the increase in parcel post rates, and on the other hand, berate the minister because he wants to reduce costs. I wonder what they are after.

There is also the case of the rural mail carriers, or contractors who distribute the mail on what is called a rural route.

Mr. Chairman, since a letter carrier service was established in Beloeil, in my constituency, I have compared the work done by a letter carrier who works so many hours and receives rather a good compensation for our area, even though there is room for improvement in the work of such contractors. I have yet to hear criticism from the letter carriers about their compensation, because if we compare the work of a letter carrier to the work of a rural mail carrier who has to supply his own vehicle, who works almost as long hours as the letter carrier, who has to give bond, and who must, in a word, prove that he is responsible and has qualifications equal to those of the letter carrier, I do not see why the government would not revise the rate of compensation, particularly with regards to the calculation of yearly mileage, which in my opinion is an important factor, at least as far as the setting of rates commensurate with the service rendered by a rural mail carrier is concerned.

I think it would be interesting if the government were to make an investigation in this regard.

Obviously, most of those who have rural route contracts do not work full-time like the letter carriers, but there again we must remember that a person who undertakes a contract must be available for government service several consecutive hours six days a week, which completely disrupts the balance of his daily routine. Even worse, it often happens that a carrier cannot quote on a second rural route because mail distribution on both is carried out at the same time to ensure a better service to the public. That situation prevents the rural carrier from having two contracts and thus earn a reasonable salary.

As I told the minister a moment ago, I have been happy to see all that has been done in municipalities like Beloeil, St. Hilaire, Otterburn, McMasterville. But there again a shadow mars the picture. The service has been working well enough, but the municipalities concerned are developing at such a pace that we shall soon have to consider building a new post office, I mean erecting a new federal building, either at Beloeil or St. Hilaire, for those are the two main municipalities, and the most centrally situated of that postal district.

I would therefore ask the minister to see that the officials of his department hurry up matters and, more particularly, make representations to the Department of Public Works so that a decision be made with regard to the matter. And as the service is working out well in Beloeil and the surrounding district, it might be well for the department to consider the possibility of extending such a service to a municipality like St. Bruno, in the constituency of Chambly, where the situation is about identical to that in Beloeil. For postal purposes, St. Bruno might be joined to St. Basile, and perhaps to a section of Beloeil or St. Hubert. St. Hubert is divided into various communities called parks, one of which, Croydon, has already a letter carrier delivery service, operated as a subdivision of the letter carrier service in Ville Jacques-Cartier. It would therefore be a question of organizing new postal routes from Ville Jacques-Cartier into those other sectors of St. Hubert.

Finally we have also the towns of Chambly and Marieville, which are in a similar position.

As far as Marieville is concerned, I would like to thank the department, as well as the minister, for having taken action, after considering my own representations as well as those of the municipality and of the town council, and I also want to congratulate them for deciding to enlarge the Marieville post office. Of course, some minor difficulties have arisen, but I think that the department will be able to settle things, if the new municipal

council co-operates as well as the former one. Of course, some people in Marieville should realize, that if they want their post office enlarged, the municipality must be sensible and ready to transfer or sell to the department for a reasonable price the site which it owns near the present post office, thus enabling the department to build in the most economical way.

Mr. Chairman, I would make a suggestion to the Postmaster General. I am not sure that the matter comes under his department, but I think he might do something to carry out what I am now submitting to the house. Voters in the various ridings of the province of Quebec are convinced that their representative has only 125 or 150 miles to travel to the Ottawa session, and that he has enough leisure to come home and meet them on week ends. It is often difficult for constituents to meet their elected member and unfortunately several of them do not even know that members are sitting throughout the week, and they have not the slightest idea that we are sitting seven or eight months a year. It might be worth while for the government to consider giving the members in each constituency one or two rooms in federal buildings, in post offices for instance, so that a member may receive his constituents, especially when the federal building is rather centrally located. It might be something worth trying since it happens that in some federal buildings there is always a room which is not used every day or every hour of the day by the employees of the Post Office Department. The employees of the Post Office Department, who are regularly in touch with the public, could give information to constituents wishing to meet their member and tell them when he would be available.

I already see the hon. member for St. Denis in an office in a Montreal sub-station getting information about the Post Office Department. Perhaps this might give him the opportunity to see for himself how well the Post Office Department is administered since the change of 1957 which was wanted by the public in general, whatever the hon. member for St. Denis may think.

Now, Mr. Chairman, I should like to come back to the topic of congratulations and tell the Postmaster General how convinced we are that there has been a change, even in the Post Office Department, since that famous election in 1957, when the voters gave the Liberal party to understand that it had not inherited the power in Ottawa from God the Father.

Mr. Chairman, for the past three years, I did not have the opportunity of taking part in the debate on the estimates of the Post Office Department because our friends opposite took all the time available in this house for criticizing.

Since I have a few minutes left before my time is exhausted I wish to make a few remarks of a general nature on the administration of the Post Office Department.

First of all, I had the opportunity, at the opening of the new postal service in Beloeil, to meet the authorities of the Post Office Department. I met people in charge of key jobs in the administration of this department for the Montreal region. Whatever the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) may think, those people could smile easily, were in a good mood and seemed quite satisfied with their lot and proud of their minister. I do not believe them to be hypocritical to the extent of telling me about their satisfaction and telling different to the hon. member for Maisonneuve-Rosemont and the hon. member for St. Denis.

I heard the hon. member for Maisonneuve-Rosemont criticize the fridigity of the Postmaster General's speech. According to the hon. member there was no humanitarian consideration in the minister's speech and he nearly added that it lacked poetry. But where he contradicts himself is when he takes the minister to task for having presented his report as if he were a chairman of a board of directors.

After all, this man is in charge of a great concern for which he is answerable to parliament in every detail. The opposition blames him for acting like the director of a great concern. I cannot understand it.

I have listened with attention to the first part of the speech made by the hon. member for St. Denis, yesterday, but I did not have the courage to listen to the second part, even after a good dinner; I just glanced through the expurgated and corrected version which appeared in this morning's *Hansard*.

At all events, I should like to touch upon one point of the speech made by the hon. member for Maisonneuve-Rosemont, who spoke about scooters. I wonder why the hon. member is against one aspect of mechanization which the Post Office Department might now adopt, when he demands himself a certain mechanization. Does the hon. member realize that, after having criticized the Post Office Department—because he claims that

the staff will decrease on account of mechanization—he is proposing new improvements which mean some re-organization that might involve the dismissal of some employees?

I also note the congratulations offered by the hon. member for Maisonneuve-Rosemont, and no doubt also by the hon. member for St. Denis, to postal employees after having criticized them for half an hour. I wonder, Mr. Chairman, why the morale of those employees should be so low, as the hon. member for Maisonneuve-Rosemont claims, if not because of the unjustified criticism which is voiced against them, in order to splash the minister.

Mr. Chairman, I hope that after all those compliments, the minister will take into consideration the few remarks I made on behalf of my electors. I make my apology to the other members of the house for having taken so much valuable time and for shortening the holidays of the hon. member for St. Denis, but it was in the interests of my electors, and I believe I have done my duty.

(Text):

Mr. Peters: Mr. Chairman, the hon. member for Kootenay West referred to the problem of patronage in relation to the Post Office Department. Personally I am quite concerned about this matter. Certainly the Conservative party should be concerned about it as well as governments generally if governments are going to function in a democratic manner. So far as my riding is concerned, the story has appeared in newspapers across the country that Mr. Grosart, the national organizer of the Conservative party, came to the town of Haileybury in the riding of Timiskaming shortly before the Conservative party convention and told people there, at least two of them being town councillors, that if they wanted a new post office they had better have a delegation, under the auspices of the defeated Conservative candidate, make representations. He said that this was the way to do it, and the best time to do it would be at the Conservative convention.

This statement appeared in the local newspapers and I have no reason to doubt the integrity of the sources of information. There are several people who are closely connected through marriage with the defeated candidate in that area. I am quite sure that the information was correct. It could not matter less to me, one way or the other. If the people of Haileybury need a new post office and a new post office is warranted, then I will fight to get it. I feel this would be true of the Conservative candidate who was defeated at the last election. I do not believe there is anyone who represents a riding in this country who is not interested in getting these things for his riding.

[Mr. Johnson.]

Can the Postmaster General tell me or tell the country that he will give the town of Haileybury or any other place a post office on the basis of patronage, as something in repayment of certain considerations? Will he say that a post office will be built on that basis? Is it not true that in the majority of cases where post office buildings are constructed, the department sends out people to assess the facilities that are available and the number of customers using those facilities? Is it not true also that the Post Office Department sends out inspectors to assess the cost of renting a building as compared with the cost of erecting a public building? Are those things not done on a business basis as we have been led to believe they are? If they are, then what type of service does Mr. Grosart pretend to supply to these communities by lining up the councillors who are interested in obtaining a new building for the area?

Certainly, one cannot blame these people for being interested in a new building. They are told by someone who appears to be quite close to the federal cabinet that this is the way you have to do these things. I should like to give the former Conservative candidate credit because he did tell the council he would need a resolution from the council recommending the erection of a new public building in the town to house the post office. He suggested also that before he carried their representations to the convention—I presume that is where he went because these events occurred only a couple of days before the convention—he would also want a letter from the chamber of commerce and from other interested agencies.

The article appearing in the *Northern News*, Kirkland Lake, March 14, states in part:

> Mr. Rice recently unsuccessfully sought action from government on waterfront improvements at Haileybury. Mr. Cook—

That is the mayor of the town.

> —said the government did nothing about the defeated P.C. candidate's request then.

Even in these small communities politics enters into these situations because here you have the mayor, a Liberal, arguing with two or three of the councillors who hold positions in the Conservative organization.

> The council did not authorize Mr. Haskett, to forward a copy of the resolution to Mr. Peters, C.C.F. member of parliament for the riding.

This is a "beef" on my part, Mr. Chairman, because I am the only one concerned. I make this grievance in the light of the fact the people seem to have been advised to ask the defeated candidate to look after this matter. If the councils were operated in this manner,

then you would have all the defeated candidates for council sitting in the council chamber. If you do not believe that democracy works—

Mr. Macdonnell: Would the hon. member permit a question?

Mr. Peters: Yes.

Mr. Macdonnell: I thought the hon. member proposed to read from a newspaper article a statement that had been made by Mr. Grosart?

Mr. Peters: No.

Mr. Macdonnell: Then, what was the evidence upon which we were asked to believe Mr. Grosart had made a statement? What are we asked to believe?

Mr. Ricard: Insinuation.

Mr. Peters: I said I had read several accounts of what Mr. Grosart had said.

Mr. Macdonnell: Where?

Mr. Peters: In the Toronto *Telegram*, the edition of March 14. Incidentally, it may be of interest to hon. members to know that at the time the editor of the Toronto *Telegram* phoned me and asked me to comment on this particular matter.

I am not the only one who is concerned about this incident. I find a letter appeared in the *Northern News* of March 17, 1961, and I should like to read a part of it. The letter is signed "Democrat" from Charlton, Ontario. I have not the faintest idea who he is, and I know nothing about it. This is what the letter says:

> In an account of a recent meeting of the Haileybury town council published in your paper it was reported that Foster Rice was being approached to act as a go-between with the federal government in the matter of having a federal building put up in the town. There is nothing wrong about the town wanting such a building and there is a need for one, but why get Mr. Rice to act as intermediary when there is already a man at Ottawa who is being paid to look after the interests of the riding. I refer to Arnold Peters, M.P. for Timiskaming. I am sure that Mr. Peters, our elected member, is as capable of presenting the case for the town as is Mr. Rice, the defeated candidate. Furthermore, I believe Mr. Peters is as keenly conscious of the needs of the district as either of the defeated candidates. It is all very well for our politicians to prate of democracy at election time but when they deny its very principles once the election is over, it is enough to make at least some of us wonder if those who sit in the seats of the mighty know what democracy really does mean.

I underline the words, "At least some of us wonder if those who sit in the seats of the mighty know what democracy really does mean."

> In the last election three men ran for office. Two of them definitely were not elected. Therefore it became obvious to even the most obtuse of the electorate that the one who got the most votes was the one whom the majority of the people chose as their representative.
>
> With three or more candidates in the field, it can scarcely be said that the term "majority rule" is now applicable. Our present political set-up with the old parties fighting tooth and claw has created a situation of which the C.C.F. has been quick to take advantage. Both Liberals and Conservatives would be well advised to smarten up and stop scrapping, otherwise the New Party will slip in and pick up more of the marbles.

I do not believe the last part of the letter is relevant to this issue. I do feel, however, that the opinion expressed in the letter is shared by many people across the country.

I have never even been asked by the town council of Haileybury to give consideration to a new post office. If the town wanted a new post office, then the obvious method would be to approach the sitting member of parliament. If the town did not wish to approach the member of parliament, and this is quite all right, then I think they should appeal directly to the Postmaster General. They should make their representations to him. I will give a lot less credit to the minister than I do if I find the department does not send inspectors to the area to investigate the facilities available, consider the number of people using the facilities, and reach a decision on the basis of such an investigation.

If we have an opposition member in a riding it should make not one bit of difference, in my opinion, whether or not the sought for post office is built. The post office should be built because there is a need for it, and for no other reason. I have not asked for post offices to be built in any area where I consider the facilities to be sufficient to serve the needs of the community. It is not my opinion that we should build new post offices every two or three years in a given area. We should build post offices to meet the needs of the community and do a satisfactory job in the area. I think that is what the Canadian people want, and it is certainly my opinion.

I have heard nothing more about this matter from either the council or any other source, but I will give the minister the credit I am sure he deserves. I am quite sure that if representations were made to the Postmaster General he did exactly what I have outlined, that is, he sent an inspector to examine the situation. I am quite certain the Postmaster General will say that the decision to build a post office in that area hinges entirely on the need and the information he receives from his own officials.

I was very pleased yesterday to sit in a committee of this house and hear representations from a group of civil servants who called themselves the postal employees' association, which is an organization closely

connected with this department. They appeared to me, unlike most other civil servants, to be very aggressive and to have taken a progressive attitude towards obtaining a contract with their employer, and negotiations in general. In fact, they sounded almost like a trade union.

It has been my contention for a long time that civil servants who want to receive the benefits to which I think they are entitled will have to act more like trade unions. They will have to do more of the work themselves and get out and fight for what they want. They must put forward their views in an aggressive manner and be willing to do something about them.

Because of the attitude of this group I asked a number of questions of people closely connected with it. I did this to find out why the post office employees are more aggressive than other civil servants. I was surprised at some of the things I learned. I am told that a civil service clerk, grade III—I am not referring to a postal clerk—has to take an annual examination if he is employed in any one of the 14 district post offices in Canada. Upon the result of this examination depends a salary increase or decrease of $150 a year. If these civil servants do not pass the examination they do not receive an increase. More than that, if they do not pass the examination they are subject to a decrease in salary of $150 a year.

Therefore, when a grade III clerk employed in any one of the 14 district post offices takes the examination, in effect the examination is worth $300 a year to him. He has a chance to increase or decrease his salary by $150 a year.

If these civil servants fail to pass two of these examinations in one year they suffer the salary decrease I mentioned. Why should a civil service employee in the post office be treated differently from a grade III clerk in any other department of the civil service.

In addition to that, I should like to know from the Postmaster General why they are treated differently from the civil service grade III clerks in the headquarters of the post office, where they do not have to take an examination. Is it less important for them to be capable, on paper at least, through examinations, in the postal headquarters as it is in the district offices of the post office?

I should like to know, and I think the committee would be interested in the answer to this question, how many postal employees have suffered salary decreases because of these examinations. Also, what saving has this been to the operations of the Post Office Department?

In northern Ontario we have always been pleased with the fact that we have the benefit of what is called the railway postal service sorting arrangement. This means that a letter leaving Kirkland Lake, rather than going to North Bay and remaining in the sorting process in North Bay for one day and coming back the following day to Englehart, we will say—only 30 miles away—and having a trip taking several days, will be put on the train and in an hour or so will be in the next town and will be dropped off there.

This service is being conducted through a sorting process on the trains. These employees must take these sorting examinations and obtain a mark of 97 per cent or they do not receive an increase in salary.

These examinations are exceedingly difficult. They create a great deal of tension. There can be as much as $300 riding on the result of an answer given in one of these tests. I wonder whether this is any advantage and whether it increases the efficiency of the department. I wonder whether these examinations are worthwhile. If they are not, why must they be continued?

This system means that in most cases employees, particularly those connected with sorting, have to take examinations at least twice a year and continue taking them until they are 60 years of age. It seems to me this is unreasonable and is something more than we ask of any other civil service employee.

In connection with this matter I should like to know what is the Postmaster General's justification for demanding that many of the department's employees themselves purchase the sorting cards and sorting test cases. Why is it that the department does not, after making the initial purchase of test cards and test sorting cases, supply these civil servants with the means of keeping them up to date? Why does the department demand that the employee himself pay for new test cards that are continually being put into use?

I understand that a terrific turnover and change-over of services is now taking place. These employees must have this current information. For instance, if one is sending a letter to Highland Grove, for instance, they have to know that it goes to Lindsay first and then it goes through another little town before it gets to Highland Grove, or that it goes to Highland Grove before it gets to Lindsay, and the next time the trucking arrangement may be such that the letter is taken to some other place.

In each case these cards have to be brought up to date, and they have to be paid for by the employee. Not only does the employee have to take these examinations, but the machinery necessary for him to carry out his work has to be purchased by him. It is not simply a matter of skill; it is a matter of

learning and study. This study has to be carried out in his own time and with his own equipment. This is an added burden to these employees.

I do not believe this is justifiable. I believe that if we wish to keep up the standard of our postal employees the least we should do is to supply them with the equipment necessary for them to keep their card indexes up to date. I think this expense should be borne by the Post Office Department.

I am sure the minister will know what these costs would be. He will be abe to give us an over-all figure of how much this system would cost the department. If the department were to supply both the initial test cards, the test cases and the revisions which are necessary from time to time, I am sure the Postmaster General could tell us what costs would be involved.

In the staffed post offices employees get an increase automatically in the first year on the recommendation of the postmaster. The second increase of $150 is granted only if the employee is able to pass a departmental examination, and from the second year onward, the point at which the employee reaches his maximum salary with an increase of $100 a year, he must pass two examinations a year and continue to pass those examinations, in order to remain at maximum salary, for 20 years. After 20 years employees still have to continue to take one of these examinations a year until they reach age 60.

It seems to me that this is requiring a great deal more from civil servants employed in the post office than is required from civil servants employed in any other department of government. I find this system hard to understand in view of the government's claim that it wishes to see equality of treatment as among all civil servants. In this case one employee is treated differently from another even in the same classification. It seems to me that if industry asked its employees to reach and remain at a high standard of knowledge it would at least give them time to do so during their working hours, provide instructions to enable them to keep up to date and, in addition, I am sure, the materials which would be necessary.

In relation to railway post offices I should like to know how many of these offices have been taken out of operation since the period when the number of these offices was at a maximum. I notice from the minister's report that in 1957-58 there were 208 and in 1958-59 only 96. I should be interested to know what the number was in 1959-60 and the estimate for the year 1960-61.

I should also like to ask the minister what is the intention of the department in relation to highway post offices. These are vehicles equipped with racks and sorting tables together with other facilities needed for the sorting of mail, and a great deal of use is already made of them in the United States. In many respects they resemble closely the railroad cars designed for the sorting of mail in transit except that they have been converted for travel on the highways. We should be putting the railway sorting cars on tires, as it were, and allowing them to continue the service in those areas where transportation of mail by rail has been discontinued. I should like to draw attention to one example which is brought to my attention regularly and that is the area of Cochrane North where the service is curtailed generally. In order to reach this area from Toronto by rail one has to make two or three changes and delays take place even in the best of times, delays which affect, of course, the transport of mail as well.

Now that there is no sorting done along the route letters which are collected in the course of the journey have to be sent, sometimes, 200 miles from the source and then, in certain cases, must be returned 175 or 180 miles to the nearest village and considerable loss of time is incurred. I expect the minister has given consideration to the subject and that it will not be long before we see post office bus services travelling along the highways and before the same type of service which has been given to communities in the United States will be extended to us is Canada.

The advantages enjoyed as a result of sorting en route were, of course, considerable. They were advantages of some importance. For example, I might point out that communities along the line of the Ontario Northland Railway get at least a daily service of mail from Toronto. Yet I have been in places such as Collingwood, Dundalk in Grey-Bruce where letters have taken as long as five days to arrive. It would have been quicker to have gone to Toronto to pick them up. One of the endeavours of the Postmaster General should be, by the use of this new type of sorting vehicle, to provide a service equal to that enjoyed by townships along favourable rail routes.

I should like to mention one other matter, and it is one which affects politicians as much as it affects anybody though I believe it will concern all those who are interested in mailing through the use of a directory. I should like the minister to give a fairly extensive explanation of the means used to bring these postal directories up to date, because I am convinced that the one I use has never been revised. In that rural mail directory there are the names of people who have been dead for four or five years. In addition, there appear names of people who to my knowledge have left the country three or four

years ago leaving their farms vacant. Every time I get a new copy of the directory I expect that at least the names of those people will have been removed but they still keep turning up. If you send letters to constituents using a rural mail delivery list you get back 25 per cent of those letters in many cases.

The situation is even worse in the urban areas where more than 25 per cent of the letters I have sent have been returned. It may be that some of the communities concerned are undertaking new zoning arrangements—arrangements which have not, to date, been completed—and this may bring in some element of confusion. However, it seems to me that in some cases as much as one third of the mail is returned stamped "address unknown". I believe the postal authorities make an effort wherever possible to deliver these letters. I am not completely in agreement—neither do I disagree—with those who say that mail from the House of Commons is considered to be second or third class material. Nevertheless I believe the volume of mail we get back is an indication of how badly the record in these directories is kept.

I am sure the minister realizes that something must be done in order to ensure publication of a much more up-to-date directory. Arrangements should be made to ensure that we get information as to changes in the areas back to the Queen's printer so that the rural directories are never more than six or eight months out of date when they are published. Some of them are a great deal more out of date than that. In many of the rural communities such inaccuracies are not excusable because the mail carriers and the postmasters or postmistresses know everybody in the area and are in a position to bring the directory up to date in a few minutes.

Mr. Batten: Mr. Chairman, I do not want to unduly delay the passing of the minister's estimates, but I should like to make a few brief comments and shall do so as quickly as possible.

I should like first of all to refer to Post Office Department property. I am from an area which has not always had the privilege of having federal government services. Because I am from an area of that type I would imagine I am a little more jealous of these services than are those hon. members of the House of Commons who have always been accustomed to having them. I feel that, in a town or city, property that is normally called the Canada post office should be as well maintained as is any other institution in that city or town. In the area from which I come there exist a small number of large post offices which are kept as well inside as any post office I have seen on the mainland, but considering the outside appearance of these buildings this is not so.

I recognize, as I am sure the Postmaster General will tell me, that the responsibility for maintaining these buildings lies with the Department of Public Works. However, responsibility is one consideration and interest another. I should suggest to the hon. gentleman that while he may not have the responsibility for maintaining the physical appearance of these buildings and properties I am sure he has a real interest in this regard.

On a recent occasion I went into one of our public buildings and asked an employee there why the building was well maintained inside while the grounds outside were so poorly kept. He replied that it cost a good deal of money to maintain the grounds in a manner comparable to the grounds around other buildings in the city. While that statement is perhaps true, and whether the responsibility is that of the Department of Public Works or the Post Office Department, something should be done in this regard. As a member of the House of Commons I would like to see all federal property maintained inside and out as well as possible.

I would suggest to the minister that he instruct those officials, who visit these institutions commonly known as Canada post offices, to see that these buildings are maintained in a proper fashion. I would suggest that the grounds outside should be kept in a manner compatible with other buildings belonging to the federal government. I would suggest that those areas around these post offices which are considered to be lawns, be kept as lawns so that individuals passing the property, whether they be Canadians or visitors to this country, will realize that the property is being maintained as well as one would expect it to be. Many individuals judge performance by physical appearance, and I refer not only to Canadians but also to those who visit our country during the warmer months of the year. I offer these suggestions very sincerely to the Postmaster General.

I have a few general comments to make and then will specifically refer to the northern part of my riding.

Before Newfoundland became a part of Canada in 1949 it did not have post offices as we know them today. At that time the post office services and telegraph services were combined under one department and the individuals operating these services for us were not only paid as postmasters but also as employees of the telegraph company. This situation exists to some extent today and presents a very real problem.

The individuals to whom I refer perform a service for the Post Office Department and

receive a salary in that regard. At the same time they work for the Canadian National Telegraph Company and receive a salary commensurate with the functions they carry out in that regard. I must say that some of the salaries paid are exceedingly small. I have written the Post Office Department officials in this regard and have been informed that the individuals to whom I referred were being paid on the basis of the amount of work they carried out. I then wrote a similar letter to the Canadian National Telegraph Company and was informed that the same individuals were being paid salaries by this company on the basis of the services they performed for it. This problem is batted back and forth between the Post Office Department and the telegraph company.

The minister might well suggest that instead of speaking in generalities I should present a specific case. I will mention an actual case which the minister will be able to understand. There is an assistant postmaster at Flower's Cove, Newfoundland, by the name of Calvin Whalen. He acts as the assistant postmaster as well as the messenger for the Canadian National Telegraph Company. The post office in which he is employed is responsible for distributing mail for 11 settlements and four other post offices serving a population of 2,000. This man receives, as a postal employee, a salary of $48.50 per month.

I do not know where the responsibility for this situation lies, but when I listened to the Postmaster General refer to increases in salary yesterday, I felt that I should bring this situation to his attention. I know that he will give generous attention, as he always does, to the problem I present. He is always very generous in his attention to problems I bring forward and, in saying that, I do not mean he always gives me the things I would like to have. While he does not accede to all my requests he always furnishes the reason why he cannot. In this day and age it is certainly disgraceful on the part of this federal government department to pay a salary of $48.50 per month to an individual whether or not he is working part-time for the Post Office Department and part-time for the Canadian National Telegraph Company.

My hon. friend from Burin-Burgeo as well as the hon. member for St. John's East, for whom I have a good deal of respect, mentioned a peculiar situation which exists in Newfoundland, and I refer to revenue post offices in small settlements. I realize that because of the amount of service provided by these offices as compared with that provided by the post offices in cities such as Montreal, Toronto, Ottawa and Halifax, higher salaries than those being paid today are not warranted. However, I suggest to my hon. friend that there is just a little more to it than this.

Let us take a small community where mail is delivered twice a week. This means that while mail is delivered only twice a week, the postmaster or the postmistress has to be on duty for the whole week. I could give instances where the amount of money paid for the month's service by the post office would not be sufficient to pay a charwoman to clean up after the mail has been delivered, and yet today the postmaster has to provide premises and services and the heat and light required to operate the post office in that small community.

In the larger towns and cities, of course, the criticism I am making does not apply at all. I agree with hon. members who have spoken before me that it is about time the Post Office Department paid some special attention to the problems of the revenue post offices. As I said before, we must have a good deal of respect for the service which we are able to offer to the public. We can have respect for those services and demand respect from others only if the services we provide are respected by the very people who initiate them.

I would hope the time is not too far distant when those who operate the small revenue post offices, whether they be in Newfoundland, Ontario or British Columbia, will receive in remuneration a salary not in terms of the volume of mail handled but in terms of the responsibility which they hold in the community in which they live. In my own home city the employees of the postal department are people who have that dedication to duty about which the minister spoke yesterday. I do not think he is wrong when he says that the employees of the Post Office Department are people who are dedicated to their jobs. I think he is right when he says this. On many occasions I have reason to go and visit those people and to ask things of them. They have always been very courteous and very willing to do those things which come within their responsibility. I think those individuals are a credit to the federal service and I wish to pay tribute to those individuals in my area who are employees of the Post Office Department. I know that in many instances they have trials and tribulations which are not usual in the larger centres. They have accepted those with good grace and have given service beyond that which the department would expect of them.

A few months ago I had occasion to ask the Postmaster General what provision was being made for the landing of mail from

the C.N.R. boats in a settlement on the north coast of Newfoundland by the name of Bartlett's Harbour. The Post Office Department has made provision for the mail to come from the post office to the jetty wharf. The mail has to be taken from the jetty wharf to the boat which, because of the local land conditions, is some distance from where the C.N.R. boat is able to anchor, about one and a half miles. I was disturbed by the fact that the man who was paid to carry the mail from the post office to the jetty warf also, in order to get the mail on the boat, had to put it on board a small motor boat and carry it another one and a half miles to get it on board the C.N.R. boat.

When I asked the minister what arrangement was made for this mail to be taken from the jetty wharf to the boat and back he said that arrangements had been made with the C.N.R., or with the authorities, which would be the C.N.R. I am asking the hon. gentleman whether he will check on that again. A few months ago when I had occasion to check on this I found out that the arrangements which the Postmaster General thought were in effect were not being carried out. I would hope that in this particular instance the Postmaster General or his officials would make sure that if arrangements have been made by the department to have this mail delivered, and if the expenses of having the mail delivered are being paid by the department, the department is receiving the service for which payment is being made.

I now come to a point that is rather a sore one with me. Yesterday, my hon. friend suggested that there was no patronage in his department. It would be a little difficult —maybe I should put it more strongly—to convince me that this is true. I do not blame the Postmaster General for this, but in the area from which I come the Postmaster General or his officials will have a lot of trouble convincing me, or the people whom I represent, that patronage is not being practised in the Post Office Department. Again I say that I am not blaming the Postmaster General for it.

I will give one instance. If the hon. gentleman would like in private the name of the place and of the person, I shall be glad to give the information to him. We have an instance of a post office inspector coming to a certain place in Newfoundland looking for somebody to take over the post office. Because they need a post office in this place one fellow says, "I will take it". He takes the post office as a revenue post office. He remodels the lower flat of his home so that space will be provided for the post office and he carries on the normal operation of the post office in that area. All at once something happens. One night after dark the post office inspector walks in and says to the postmaster, "We are taking the post office away from you". Everything belonging to the post office is taken from one place and moved to another after dark.

Here is a man who has spent a lot of money to remodel the lower flat of his house to accommodate the Post Office Department. The cost was far greater than anything he received from the Post Office Department. I cannot agree that this is the type of thing which a federal department should be doing. If this man is to be relieved of his duties, then I think he should be told in a proper way. I asked the Postmaster General a question in the house and he replied to me that the man was relieved of his duties because his appointment was only temporary. Surely, if the man's appointment was only temporary, he should have been told of this and then he would not have gone to the expense of changing over the lower floor of his house to accommodate the Post Office Department. What the reason for this is I am not going to say, Mr. Chairman; I am going to leave that to the imagination of the Postmaster General. But I do not believe this type of operation is in keeping with the dignity that we ought to attach to any federal department.

I now come to a regional area of my province, and one with which I am particularly concerned. I refer to the northern part of Newfoundland. The northern part of Newfoundland is commonly known as the Straits of Belle Isle, an area which is in one sense rather densely populated in terms of Newfoundland settlements. From Anchor Point in the south straight through the Straits of Belle Isle to Eddys Cove east we have a population of about 2,500 people. Some time ago I wrote the Postmaster General requesting that some provision be made for the building of a post office in this area and after due investigation he replied that he thought the existing space was sufficient for any duties the Post Office Department had to carry out. I am going to read a few words from his letter. He said:

> As the space available is sufficient for our needs at Flower's Cove—

However, in the preceding paragraph he said:

> The possibility of erecting a mail shed to further solve this problem is also being considered.

If the space in the existing post office is sufficient to take care of the business of the Post Office Department at the present time, then there is no need to build a shed. I do not know where the Postmaster General got his

information. I have been there and I know the situation. I know he has not been there although he has visited a number of places in my riding. I appreciate his visits and I extend an invitation to him to come again. If the Postmaster General were able to visit this area, as I have on a number of occasions, I think he would agree with me that the accommodation provided at Flower's Cove to serve 11 settlements both winter and summer is not sufficient to look after the mail operations in that area.

Although I have had a letter from the Postmaster General dated November 10, 1960, stating that the facilities provided at Flower's Cove are sufficient to look after post office operations there, I suggest to him that a second look needs to be taken at the matter. I say again to him that if he were to visit this area as I have on a number of occasions he too would realize that the facilities provided at Flower's Cove are not at all in keeping with the amount of work that has to be done.

Flower's Cove is situated nearly at the northern tip of Newfoundland. It has always been the commercial centre of the area and it is now becoming the educational centre. It has always been the religious centre of the area and has always been the centre of post office operations. With the increase in population, mail service and the amount of mail that individuals receive, this post office is no longer able to look after the requirements of the people. In view of all this I suggest to the Postmaster General that he take a second look at this northern part of Newfoundland to see if he cannot do something to improve the postal service in that area so that when he comes back to parliament next year and reports on the work of the Post Office Department he will be able to say to his credit that he has done something for one of the outlying areas of Canada.

Mr. Creaghan: Mr. Chairman, in commencing my remarks I should like to make a very short reference to the speech made this afternoon by the hon. member for Timiskaming. The hon. member referred to a recent petition concerning a request for a new post office in his riding. All members of parliament and ministers receive a great many petitions on many subjects. The hon. member did not tell us how the petition came to Ottawa. I presume it could have come through the mail or have been delivered personally to the Postmaster General if Mr. Rice attended the Conservative convention. Regardless of who delivered the petition, I suggest that this incident proves only one thing to me, that the minister's door is open to all citizens; members of parliament, defeated candidates and the public at large.

Many congratulations have been extended to the minister, the senior officials and all other employees of the department. I have a few brief remarks to make and I do not want them to be taken as criticisms but rather as suggestions. First of all, I have received a great deal of correspondence containing criticism with respect to the loss of identity by small communities. This happens when a new rural route is established. Rural routes are generally desired by the patrons and I know they are accepted as an improved type of service. However, in almost every case when a post office is closed and a new rural route service is inaugurated communities of many years' standing lose their identity on the map. I do not know what the solution is because I understand that a rural route must start from a post office. However, it seems to me that in some cases more consideration could be given to the designating of rural routes and perhaps some formula could be worked out whereby communities that have been in existence for a number of years, communities having small boards of trade and business establishments, could continue to keep their original postal names and thus maintain their identity in the country.

Yesterday afternoon the hon. member for Middlesex West made a plea for letter carrier service for the smaller towns. At the present time many suburban areas adjoining cities and larger towns where letter carrier service is in existence automatically qualify for home-to-home letter carrier service. On the other hand, in many rural areas small post offices are closed and the people receive the advantage of rural route service which is quite comparable to letter carrier service because there is door-to-door delivery.

However, there are many smaller towns across the country, particularly in the maritimes, with a population under 5,000 or between 5,000 and 8,000, which will never qualify for letter carrier service for generations to come. This is a situation that is causing a great deal of criticism of the Post Office Department. Resentment—I think that is the best word to use—is aroused by the fact that in suburban areas there is automatic letter carrier delivery service—if the adjacent city had such service—and by the replacement of revenue post offices in the country with rural routes and thus door-to-door delivery while residents in towns of 5,000 people must still rely on a semi-staff post office and the type of service they have had for years and years.

While dealing with letter carrier service there is one other point I should like to bring to the minister's attention for his considered opinion. I refer to the extension of letter

carrier service. In the last two or three years there have been two or three extensions of letter carrier service in the city of Moncton, New Brunswick. In some cases it took months and months after the service was approved before it was finally started and in other cases the service went into effect very soon after it was authorized.

The reason for the delay in some areas is the requirement that 80 per cent of the patrons must have letter slots, street numbers, walkways, et cetera. I know that the service cannot become effective and efficient until there is 100 per cent co-operation with respect to these requirements. However, in some cases a few citizens refuse to co-operate and consequently the majority of the patrons who wish the service must wait indefinitely for the 80 per cent requirement to be met. I suggest to the minister that the standard might be reduced to about 65 per cent, and then after a short waiting period the service would eventually be put into operation and become 100 per cent effective.

I see my time is almost exhausted, Mr. Chairman, because of the hour, but there are two points I should like to mention. I should like the minister to take a look into the delivery of mail from the main post office at Moncton to the C.N.R. terminal. At the present time there is a large C.N.R. redevelopment taking place and I suggest this is an ideal opportunity for the construction of a tunnel for the transportation of mail from the post office to the terminal building. The procedure suggested would eliminate very serious traffic congestion on main street immediately adjacent to the post office building.

I should also like to thank the minister for the construction of two new post office buildings during the past year, and urge that more and more semi-staff offices be housed in federal buildings. This is something that small communities want, and it is something to which our citizens are entitled. If you go through the country you will find oil companies erecting new service stations, and banks new buildings, and in some cases—not too many in my riding—very poor accommodations rented and occupied as semi-staff offices.

I want ot thank the minister for his attention. Notwithstanding the criticism that he has received from some quarters, he can be assured that the majority of the members, the patrons of the post office and citizens of the country appreciate the fact that last year we received excellent postal service. We know that, as a result of the debate yesterday and today, this service will be improved next year.

Mr. Regnier: I have a few remarks to make on this item. I should like, first, to commend the Postmaster General upon the fine service he has given to the people of Canada generally. The people of St. Boniface are quite satisfied, as are the people in the town of Transcona, which is soon to be a city, and has personal delivery service instituted as well as drop mailing rate. Many sub-post offices are to be opened in the Windsor park area of St. Boniface. Two new sub-post offices were opened this year, one at Landmark and the other at Navin. I understand that plans are being made for a large post office in St. Boniface, and probably we will receive the details of that from the Minister of Public Works.

I should like to say a word about the very small post offices, many of which do not earn more than $300 or $400, out of which the operator has to pay rent. Unless the people operating such post offices have some other source of income it is very difficult for them to continue to operate these post offices. I know that at Charleswood it was impossible to get anyone to take the post office because they were required to keep the building open, and it was neither a home nor a business place.

Last year I suggested to the minister that we issue a stamp commemorating the religious aspect of Christmas rather than its commercial aspect. I was very pleased to learn that two other hon. members have joined in making this suggestion to the minister. Since Canada is a country that is about 99 per cent Christian, I do not believe there would be any objection if the Nativity scene were depicted on the 2-cent stamp. I believe this suggestion would be well received.

The last speaker touched upon a matter upon which I should like to touch, that is, the loss of identity of some post offices. In the case of St. Boniface, it is not quite loss of identity but last year the department gave people the option of addressing their mail to St. Boniface 6 or Winnipeg 6. The city of St. Boniface passed a resolution opposing this move. I believe the premier of Manitoba has written the minister in respect of this matter and I hope the minister will do what he can to restore unimpaired the name of the old city of St. Boniface. This would be greatly appreciated because St. Boniface is the oldest city in western Canada and, in addition, the name should be retained because of its historical connotation.

The Acting Chairman (Mr. Chown): Shall the resolution carry?

Mr. Peters: No, I think it would be unfair to the Postmaster General to carry the resolution now. I believe he has some answers he would like to make. I would call it five o'clock.

Mr. Churchill: Would it be agreeable to the committee to hear the minister's answers, which would be brief, and then complete the estimates of this department this week?

Mr. Peters: Five o'clock.

The Acting Chairman (Mr. Chown): Will the committee give unanimous consent to proceeding?

Mr. Argue: Five o'clock, Mr. Chairman. The answer is no.

Progress reported.

PRIVATE BILLS

Mr. Speaker: It being five o'clock, the house will now proceed to the consideration of public and private bills, the former having precedence pursuant to section 3 of standing order 15 as previously amended.

SMALL LOANS ACT

AMENDMENT REQUIRING STATEMENT OF TRUE INTEREST RATE CHARGED

On the order:

Second reading of Bill C-19, an act to amend the Small Loans Act (Advertising)—Mr. Argue.

Mr. Pickersgill: On a point of order, Mr. Speaker, I should like to say that this bill has been standing on the order paper since November 21. This procedure allows this bill to keep its position of precedence on the order paper and precludes other persons from proceeding with their bills. I am wondering if the hon. gentleman should not either proceed with the bill or allow the bill to go to the bottom of the list?

Mr. Speaker: As I understand the rules, unless the government requests the postponement of consideration of the bill it does go to the bottom of the list automatically. In this case, in the past it has been taken that the government has requested that it stand. I shall ask specifically, now, since the point has been raised.

Mr. Argue: The procedure was agreed to by the whips. I realize the bill has been standing a long time but I am not prepared to proceed with it now. I hope to proceed with it next time it comes up. I was in the agriculture committee all afternoon, and I am not prepared to proceed with the bill now.

Mr. Churchill: This is an instance which illustrates the desirability of co-operation on both sides. Just about three minutes ago the hon. member refused to go on with the estimates of the Post Office Department, and now he is in the position of asking that his bill stand. There is no consent from this side.

Mr. Speaker: Does the hon. member wish to move his bill?

Mr. Argue: Yes.

Mr. Hazen Argue (Assiniboia) moved the second reading of Bill No. C-19, to amend the Small Loans Act (Advertising).

He said: Mr. Speaker, I am prepared to move this bill although, as I have said, I am not prepared for it because I did not expect it to arise.

It is a very simple bill. On a previous occasion a bill similar to this was moved in the Senate by Senator Croll. It was referred to a committee of the Senate and was given quite a thorough airing. I think it has received a tremendous amount of support across the country.

The house leader has taken a very extraordinary course this afternoon in refusing consent—

Mr. Churchill: Similar to the course you took three minutes ago—

Mr. Argue: —with respect to an agreement that had been reached among the whips, as is the usual practice—

Mr. Speaker: Order. I think the hon. member is not in order in debating that matter. What he says may be so, but the Chair knows nothing of these arrangements and the hon. member's bill is properly moved before the house.

Mr. Argue: As the record already shows, this is the reason the bill is being proceeded with at this time.

We have always endeavoured to co-operate in the arranging of the order of business of the house. It has been the practice, at any rate, that when the whips have agreed the agreement has been followed by the parties, but this has not happened with the Conservative party.

Mr. Churchill: On a point of order, Mr. Speaker, these personal attacks are certainly out of order and should not be allowed. If the hon. member for Assiniboia (Mr. Argue) is going to make personal attacks, I should have the right to reply.

Mr. Argue: I wish you would.

Mr. Speaker: Order. I have already cautioned the hon. member who is moving his motion that remarks of this kind are not relevant to the bill. I would ask the hon. member to confine himself please to the issues of the bill.

Mr. Argue: I can understand the sensitivity of the house leader about the breaking of an agreement—

Some hon. Members: Order.

Mr. Speaker: Order. If the hon. member does not wish to follow my ruling I shall have to ask him to resume his seat.

Mr. Churchill: On a point of order, Mr. Speaker, I would ask the hon. member to withdraw his last remark about the breaking of an agreement. No breaking of any agreement whatsoever is involved in this matter.

Mr. Argue: I do not intend to withdraw the remark, because the agreement was among the whips—

An hon. Member: Withdraw.

Some hon. Members: Order.

Mr. Argue: —following the practice of conducting the business of this house—

Mr. Speaker: Order. The hon. member who has just made the remark objected to knows the rule of the house, that if an hon. member in his place gives his assurance or word respecting a matter about which he knows, his word must be accepted.

Mr. Argue: Mr. Speaker, I think you misunderstand the point. I am not saying that the house leader himself broke the agreement; I am saying an agreement existed among the whips.

Mr. Speaker: Order. That matter has already been dealt with. As I indicated to the hon. member for Assiniboia, that is not relevant to the debate of this bill. It may be a consideration with which he is concerned, but the Chair knows nothing about that and has no part in any arrangement of that kind, nor has the house.

If the bill is properly moved it must be debated in accordance with our rules.

Mr. Argue: Since there has been no denying by the minister of the agreement—

Some hon. Members: Order.

Mr. Speaker: Order. If the hon. member persists I really will ask him to sit down, because I do not intend to have my ruling flouted.

Mr. Argue: Mr. Speaker, the bill before the house is very simple and straightforward. I hope it will command not only some vocal support in the house but some positive support at this stage of second reading, when I hope a vote will be taken.

I think a bill such as this is an important measure. I think it is very important to the Canadian people that when a person goes to a lending institution to obtain a loan, or obtains money on an instalment credit plan or otherwise, the principle should be followed of setting forth in clear and specific terms the interest charges to be made.

This bill would require that in advertising there be a clear indication of the interest rate that will be charged to any prospective borrower with regard to any loan. The explanatory note of the bill reads:

> The purpose of this act is to amend the Small Loans Act, so as to require any moneylender or small loans company, in any advertising in which the amount required by way of monthly or periodic payments in order to repay a loan is indicated, to state what the cost of such loan amounts to in terms of percentum per annum.

This would mean the prospective borrower would know the actual or the simple interest that would be charged on the loan.

I have placed companion legislation on the order paper. It has been debated on previous occasions. This companion legislation would have reduced the interest rate on small loans to 1 per cent per month or approximately 12 per cent per year. It was aimed at clipping the wings of loan sharks and providing a fixed limit of interest on money put out by money lenders.

However, the Conservative party are hand in hand with the loan sharks and these money-lenders and they are quite happy that these people should keep on pilfering the public. They are quite happy that these pirates in the money lending field should be allowed to go on filching the ordinary person who has to borrow money by charging extortionate rates and reaping profits that are scandalous in a modern society.

Of course, hon. gentlemen opposite do not do what the former government did on many occasions, but not all; that is, allow a vote to be taken. Instead they use the well known device which they have used consistently, of talking out a bill, of putting one speaker on after another to discuss either the pros or cons and talk it out.

Mr. Speakman: Mr. Speaker, on a point of order, I do not think the conduct of the house is in any way incorporated in this bill.

Mr. Argue: The conduct of the house is not incorporated in the bill, but the conduct of hon. members regarding this bill is involved here.

Mr. Speakman: Not regarding this bill either.

Mr. Argue: I am challenging hon. members on the government side of the house to act a little differently on this bill—

Mr. Speakman: Talk on the bill.

Mr. Argue: —than they have acted on former occasions. I ask them to act differently than they did when this very bill was moved last session, or the companion bills, as I have termed them.

Surely it is in order to plead that hon. members give this bill their support in a real sense, by standing up and voting for the measure if and when they allow such a vote to take place.

Mr. Drysdale: Are we not allowed to say anything? Is it only the C.C.F. who can talk on these matters?

Mr. Argue: This is a new tack. The hon. member says, "Are we not allowed to say anything?" Hon. members on the government side speak one after another, bill after bill.

Mr. Drysdale: Nonsense. The C.C.F. is doing all the talking.

Mr. Argue: I think the record this year is one that has probably never been equalled in other years.

Mr. Drysdale: By the C.C.F.

Mr. Argue: With regard to every public bill that has come up for discussion the Tories have succeeded in talking it out, with the exception of one that had to do with divorce arrangements. When other bills have come up they have talked them out, and I think a great many of them have been pretty important bills.

Mr. Drysdale: Do they not require discussion, if they are important?

Mr. Argue: Hon. members opposite require so much discussion and they never want a decision. They are not content with an hour's, two hours', three hours' discussion, or whatever it may be.

Mr. Drysdale: Only an hour is allowed for private members.

Mr. Argue: They use the parliamentary procedure that is so well known and so well established, of killing the bill—

The Acting Speaker (Mr. MacEwan): Order. I suggest that the hon. member keep his remarks to a discussion of the bill which is before us.

Mr. Argue: That is exactly what I am doing. I hope hon. members opposite will not, in respect of this bill, follow the practice they have followed in connection with others. I am asking that a different treatment be given this bill.

Hon. members on the government side of the house stand up to introduce government legislation and plead with the house for support—

Mr. Speakman: Order.

Mr. Argue: —and they talk in favour of their bills.

Mr. Speakman: Tell us about your bill.

Mr. Argue: It is a good bill, but I know my hon. friends will not vote for it and will talk it out. That is what they have been doing all this session.

Mr. Speakman: Tell us about it.

Mr. Argue: This is why they interrupt from their seats so frequently whenever they know they are on a—

Mr. Speakman: On a point of order, Mr. Speaker—

Mr. Argue: There is no point of order.

Mr. Drysdale: You are not the Speaker. Sit down.

Mr. Speakman: The point of order I make is that the hon. member for Assiniboia is not talking about this bill at all. He is continuing to discuss the conduct of hon. members of the house with regard to bills which have been before this house from time to time, and I should like Your Honour to bring him back to the bill we are now discussing.

The Acting Speaker (Mr. Chown): I would ask the hon. member, as I have asked him before, to confine his remarks to the matter under consideration. As to the field covered by the bill, I have explained it fully to the house.

Mr. Argue: I think the leader of the house made an observation. I did not hear it.

Mr. Churchill: I was laughing at your silly remarks.

Mr. Argue: Oh, I thought you were talking —with a face like that. However, my genial friend is a fine fellow, very good natured, good looking and so on; we shall not quarrel about that.

As I was saying when I was so rudely interrupted, this is a bill which, I think, has a great appeal in many quarters. I do not remember any legislation I have seen on the order paper in the name of a private member with regard to which so many letters and communications have been received, all of which have been in support of the measure.

Mr. Speakman: Where are they?

Mr. Argue: The hon. member asks: where are they? Well, they came from a great many organizations across the country. They came from a large number of credit unions.

Mr. Speakman: Oh.

Mr. Argue: They are very excellent organizations in my opinion although the hon. member for Wetaskiwin may not think so. These excellent organizations have sent communications in which they ask hon. members of this house to support this bill on second

reading. I think there is a good reason for the interest which has been taken in this matter, namely that prospective borrowers when they are being canvassed by way of advertising by small loan companies should have disclosed to them the interest rates which are in fact being charged.

Mr. Brunsden: Would the hon. member permit a question?

Mr. Argue: My old friend. Go ahead.

Mr. Brunsden: Mention has been made of credit unions, and I would be the last to attack credit unions. I think they are excellent organizations. But does the hon. member realize that the rate charged is 1 per cent a month on an unpaid bill, and that credit union people like others sometimes find it impossible to meet their commitments? Take the case where a credit union lends a person a thousand dollars and he is charged at the rate of 1 per cent a month. Has the hon. member ever estimated the total cost charged on account of that loan?

Mr. Argue: I presume it is 1 per cent a month. I do not know why it would not be. It is very simple. The hon. member is good at arithmetic and it will not be hard for him to calculate that simple question. One per cent a month is approximately 12 per cent or so a year and the hon. member can take it from there.

Many credit unions do not charge a rate as high as 1 per cent a month which is the maximum rate that credit unions have charged, as far as I know, by way of interest. I do know, however, that credit unions are charging 6, 7, or 8 per cent. That is a great deal less than 1 per cent per month and the credit unions are, I believe, performing a wonderful service for the people of this country. I would think that one of the reasons they are interested in the bill is so as to make it abundantly clear to Canadians what interest rates the companies in the small loans field are charging and to inform the budget of the fantastic charges which are being made by certain of the companies making these small loans.

This bill is not sufficiently comprehensive to be a catch-all covering all companies making loans or providing credit in this field but I think the principle is a good one. It is clearly within federal authority to pass a measure of this kind since it affects small loans. I hope this bill will receive the approval and support of hon. members in all parties and if it becomes law, as I hope it will, then we could go on from there to provide that all institutions coming within the jurisdiction of the federal government in this regard should set forth in a clear and distinctive manner the simple interest which is being charged on the loans we are making.

I have had brought to my attention in the past instances of fantastic interest rates which are being charged on many contracts; interest rates on second mortgages running to 20 or 25 per cent a year; interest rates on instalment credit running between 15 and 30 per cent a year. I think the corporations which are providing loans on instalment credit should also set forth the simple interest they are charging. In the case of loans on second mortgages with heavy bonuses attached, even if the interest rate is written into the contract there should, in my view, be a requirement that the bonuses must be translated into terms of an interest rate and that this interest rate should be set forth.

Hon. members opposite claim to be wedded to free enterprise or competitive enterprise. They seem to think, or at least they say they think—often they do not act as if it were so—that government interference and government institutions should be kept at a minimum. If they are so much in favour of private institutions in this field, I ask them why they do not at least go as far as to say that those institutions must present to the public information as to the interest rates they are charging on loans.

This country today is infested with loan sharks and parasites, people living on the hard-earned incomes of ordinary Canadians by providing credit for such necessary things as furniture, automobiles for transportation, money to pay doctors and hospital bills and so on. They have taken advantage of the income situation of ordinary Canadians. They are a disgrace to the nation and, surely, the government should take action in this field. The most important action which the government could take would be to limit by law the interest rates charged by these companies. There is no question that the federal government has jurisdiction in this field and power to legislate in an effective way. The second line of defence—surely the very minimum that should be undertaken—is the passage of a bill such as this measure which would provide for the setting forth of interest rates in a clear fashion—a fashion provided by law—so that the public on accepting loans from small loans companies would know the real interest rate they were being charged.

Mr. Drysdale: Would the hon. member permit a question? I wonder if he could clarify that point because I must say that as the bill exists it appears this applies only to advertising. I am concerned as to whether

it would be embodied in the contract, where I think it would be of more importance than in the advertising itself.

Mr. Argue: I do not know which is more important but if the literature instructed people as to the interest charged the public would be perhaps more educated than if they are expected to look through the fine print of the contract. It is very difficult for members to draft a bill which is acceptable because if it is too embracing hon. members say that it is far too sweeping and suggest that it be limited somewhat. If the bill is drafted in a limited fashion then the same hon. members suggest that it does not go far enough. In any experience with hon. members I have met frequently with the argument that a bill is too comprehensive and sweeping.

In the hope that hon. members would be favourable toward taking this minimum step in respect of the advertising and brainwashing campaign in this small loans field I have submitted this limited bill. I felt that interest rates should be stated in the advertisements regarding the loans rather than allowing the type of thing which exists today. These advertisements suggest that individuals seeking loans should come in to see John, who is a fine personable fellow who will not inquire too thoroughly into personal matters, or if the individual is extremely busy he can just telephone and a loan can be arranged in that manner. Everything is very cosy and snug with little difficulty attached. I feel this is a very important aspect of the small loans field and suggest that in the advertisements, whether they appear in newspapers, radio or television, the rate of interest in the different categories should be included. I think this would go a long way toward curbing granting of the kind of loan I think is undesirable and would bring to the attention of the general public the fact that their financial problems can very well be solved by a credit union loan or bank loan at an interest rate very much less than that charged by the small loan companies.

I realize that banks have been quite active in the small loans field charging interest rates up to 10 or 11 per cent, simple interest. I have felt that this was a contravention of the Bank Act, but in any case it is being done. I know the Royal Bank of Canada is making small loans at the normal 6 per cent bank interest rate without any additional charges or gimmicks resulting in higher interest rates.

I feel that this bill is a good bill. It has certainly attained the widespread support of many organizations across the country, and I hope it commends itself to hon. members of the House of Commons.

Mr. M. D. Morton (Davenport): Mr. Speaker, the presentation of this and a series of similar bills concerning the matter of interest on loans has brought to the attention of hon. members of this house the serious problem of protecting citizens from those who may be termed loan sharks who purposely charge high interest rates on loans. In finding a solution to this problem one must be careful not to offend the legitimate lending establishments so as to keep this money available to those individuals who require it.

In this particular bill the sponsor has suggested—with good reason—that loan companies should reveal the cost and interest rate in their advertising so that people know how much they are paying. I would suggest that the solution suggested by this bill is not as simple as it appears. Any member who has read the recent debates in the other place concerning the finance charges disclosure bill sponsored by Senator Croll will realize immediately that the solution is not as simple as the hon. member suggests. For example, his bill suggests that the cost and interest rates on loans should be set out. I think we are all familiar with the fact that as the amount of the loan increases, the cost and interest rate by percentage is lessened, as the basic costs remain the same. In regard to a small loan the charges seem quite high so it would be difficult to show the graduated rates and costs in advertisements. I think a more effective way of dealing with this problem is to educate individuals seeking loans to the idea of inquiring what interest rate and cost is being charged. I feel that is the time for this information to be disclosed rather than in advertisements appearing in newspapers, on radio, and on television. Unfortunately, individuals making these loans neglect to read the contracts they sign, and do not insist that interest rates be set out.

I am familiar with an incident which will perhaps illustrate what happens to individuals making purchases on an instalment plan. A young couple buying a car had fortunately made arrangements to obtain a loan from a bank at the regular interest rate. Prior to their closing the deal with the car salesman they mentioned this fact, but were informed that it was not necessary for them to take advantage of the arrangements they had made because the company from which they were buying this car could finance it at 6 per cent interest. This young couple did not read the contract carefully—sometimes I suspect that contracts of this type are not even filled in at the time of signing—and did not realize

until later that the contract had been assigned to a discount company at an interest rate closer to 18 per cent than 6 per cent. Fortunately as a result of measures taken, this contract was set aside and the young couple were able to take advantage of the arrangements they had previously made with the bank.

In this case I feel that the young couple, as well as the salesman, were at fault for the difficulties in which they found themselves. They were at fault, I suggest, in not reading the contract thoroughly before signing it. I would like to strongly warn individuals who are signing contracts of this kind to read them thoroughly and not be hurried into signing blank contracts, as I suspect many individuals are doing today. Regardless of the legislation we put on the statute books, we cannot protect those people who do not read their contracts and do not understand what is being done.

Judging by the various bills that have been introduced in the house and the information put before the house within the last few years by members on all sides, I would say the time has come when the whole matter of interest, the Interest Act and the Small Loans Act, as well as this proposed legislation, should be reviewed in toto. To my mind it is rather futile to deal with a bill which is trying to bring about a stopgap solution. The time has come to urge the government to send all bills concerning interest to a committee and have them properly reviewed.

Mr. Argue: Let's send this one now.

Mr. Morton: Not by itself. We have the Bank Act, which covers all banking, and in this act there is a proviso which says that it shall be reviewed every so many years. I would suggest that similar legislation be provided in respect of interest and all types of financial transactions which are related to interest. This legislation should be reviewed every five years or 10 years, as the case may be.

It is rather difficult for a private member to develop a series of amendments to solve this problem. The matter of financing has become more and more complicated. Even the bills presented by the hon. member contradict themselves in some ways if we were to accept the amendments as they are presented to us. As he himself has admitted, the bill is not comprehensive; it deals only with a few of the people concerned with financing. If we were to pass the measure as it stands we would be putting a requirement on certain people who lend money but we would be permitting others to advertise as they please. I would suggest that in developing one omnibus act we must also take into consideration the powers of the provinces and perhaps have legislation passed with the consent and concurrence of the provinces. I make this suggestion because this bill deals with a field which, because of our constitutional powers, we cannot cover. We cannot deal with the matter of contracts. Under the constitution we can deal only with the matter of interest.

There is some controversy as to how far we can control charges by claiming they are interest. When the Small Loans Act was passed hon. members acted on the assumption that we could pass the legislation because it was ancillary to controlling interest; but there are many who feel that there are some doubts as to our constitutional powers to do so. I would therefore suggest that in the writing of an all-comprehensive act the concurrence of the provinces be secured in those fields where there may be some conflict of jurisdiction. Some provinces are already taking steps to deal with second mortgages and contracts in respect of financing, and where people have been misled and great injustices have been done. I do not think there is any doubt at this time that injustices have been done. There is no doubt the time has come when the whole matter should be reviewed not only for the protection of people concerned but in making arrangements for legitimate financing companies to serve the needs of the people at the present time.

Banking facilities as such are limited. They do not seem to go into the field of financing which covers instalment buying, and so on. For that reason there is a field for legitimate financing, but if this field is left uncontrolled a great deal of chaos will be created. I would urge that on the proper occasion the government bring forward legislation covering these matters.

An hon. Member: Now.

Mr. Morton: The hon. member says now. These bills should be referred to a committee. The legislation that I am suggesting would be more comprehensive than that which the hon. member has suggested.

Mr. Argue: Put it on the order paper, send it to committee and get on with it.

Mr. Morton: As a humble backbencher I can only make a suggestion. I hope the front bench is listening and will take more cognizance of what I have been saying than they have of what the hon. member has said in the last few years.

Mr. Argue: They are listening to you. The leader of the house is listening.

Mr. Speaker: Order.

Mr. Morton: I am not going to admit, Mr. Speaker, that the government has or has not

listened to me. I do not presume to believe that I am that effective in debate.

Mr. More: On a point of order, it is not so long ago since the hon. member for Assiniboia was ranting and raving.

Mr. Argue: The new prime minister. The hon. member is in the wrong seat.

Mr. Speaker: A few hon. members are in their wrong seats. A certain amount of informality is not to be deplored but I think it is going too far, if I may say so.

Mr. Morton: I thank you, Mr. Speaker. I was trying to wind up my few words by suggesting that I thought the government should consider this problem seriously. I sincerely suggest this to the hon. member for Assiniboia. Although he has brought forward these things and has permitted hon. members on all sides of the house to bring out the problems and to disclose many of the things that have been done, I will not say illegally, but unethically, now that the suggestions have been received and with the evidence that has been put on *Hansard* in the last few years, I suggest government would be warranted, perhaps not this session but next session, bringing forward a bill which would cover all of the defects that are now in the legislation on the statute books and at the same time permit legitimate financing to cover the needs of the people who require loans.

(Translation):

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I shall be very brief in my comments on Bill C-19. I would not like to prevent the vote being taken on that legislation, quite the contrary.

The hon. member for Assiniboia (Mr. Argue) once again is submitting to us this year a very simple bill, which seems well drafted and which at all events fills a very urgent need. I congratulate him. It is possible that, from a purely technical or legal standpoint, it could be improved, but we are now on the second reading and what counts at this stage is the fact that the bill fills an urgent need.

At this stage, we have to discuss the principle of the bill. That is why I would not understand why some members would vote against it. I hope everyone will co-operate in order that the vote may be taken before six o'clock.

Now, Mr. Speaker, I would not like to go into any detail because I spoke about that legislation last year. We are here, after all, especially to protect the ordinary people, that is those who need protection. That is the object of this bill, which provides that finance companies, from now on, will have to specify in their advertisements the interest rates of their loans per year.

The hon. member for Davenport (Mr. Morton), who preceded me, made an excellent suggestion to the effect that we should completely revise our position as regards the Small Loans Act. The time has come to do so. I congratulate him for having made that suggestion, and I hope that the government will follow it up.

The hon. member for Davenport is a lawyer who is aware as I am, as well as the other lawyers in the house, that among the public, especially at present, all kinds of contracts are signed without any real knowledge of their terms; in other words the good faith of people is being abused. I think they have to be protected, and that is the object of this bill.

Now, the hon. member for Davenport says that everything should be reviewed. Well, I am going to remind him of what the Prime Minister (Mr. Diefenbaker) often tells us when he presents a bill and we say to him: "Why not cover the whole question, Mr. Prime Minister?" He replies: "This is a first step. Let us make this first step and then we will go to the heart of the matter."

I feel that the legislation now before us, Bill C-19, fills an urgent need. It is a step in the right direction. Having been in the House of Commons for a few years, I feel that we must not miss one opportunity and that when a bill such as this one is presented, we must adopt it.

I hope the leader of the house will see to it that a vote is taken. If he feels that there are reasons why this bill should not be put to a vote, he could suggest that we have a free vote before six o'clock so that members may have a chance to express their views. I feel that everyone will be interested to know what members of parliament think of this most important legislation on small loans. In fact, people will be most disappointed if the house does not take a stand and if no protection is given immediately to the general public, which is so often taken advantage of by finance companies.

Needless to say, Mr. Speaker, I will vote in favour of the bill.

(Text):

Mr. Reynold Rapp (Humboldt-Melfort): Mr. Speaker, in rising to speak on Bill No. C-19, an act to amend the Small Loans Act, advertising, I should like to say at the outset that I am much in favour of what is spelled out in the bill. As I understand the purpose of the bill, it is to amend the Small Loans

Act so as to require any money lender or small loans company to state in their advertising or in any other medium the amount of loan, the monthly or periodic payments by the borrower and also the cost of such loan in terms of per cent per annum or in terms of per cent for any length of time for which the money is lent.

As the situation is now, small loans companies or other lenders are not required to state a certain rate of interest that they intend to charge for loans or the terms of the agreement as far as repayments are concerned. I think it is very important that it should be stated in any advertising or in any agreement what the interest rate is going to be and what the terms of the agreement are.

I must say that I view with some apprehension the action of some small loans companies and also some moneylenders when they do not set forth in their advertising the interest rate and also their repayment plan. This, of course, does not apply to all small loans companies and money lenders. I want to make that perfectly clear. I do not want to leave the impression that all small loans companies and moneylenders are taking advantage of their clients because they have not advertised their interest rates and the terms of their repayment plans.

Small loans companies are performing a very commendable service in this country but for the protection of the public from unscrupulous lending agencies the government should take action to protect the public either through the proposed amendment to the Small Loans Act or in any other legislation which will achieve the same result, namely, to have the small loans companies and other lending institutions advertise their interest rates and also their repayment plans.

In the case of many small borrowers it may be the first time they have availed themselves of loans and some of these people may not be familiar with the set-up of these lending agencies. However, if the interest rates and repayment plans are advertised they may seek advice from friends or other persons familiar with this kind of business and obtain information before going to a lending institution and committing themselves to something they will regret later. From past experience in serving on a credit union board in my home town I know that an individual wanting to obtain a loan needs all the information he can get beforehand. He should know what he is faced with as far as the interest rate is concerned, the repayment plan and any other agreement to which he commits himself when he signs the contract for the loan.

Since advertising and interest rates come under the jurisdiction of the government I think it would be in the best interests of those people who wish to obtain loans to make it obligatory for lending institutions to state their interest rates and also their repayment plans in their advertising. I can really see no disadvantage to small loans companies and other moneylenders in their being asked to state their interest rates in their advertising. There is nothing else I should like to see done at the present time and I have nothing to add except to say that the house should give serious consideration and approval to the bill and the proposed amendments as spelled out therein.

Mr. R. S. MacLellan (Inverness-Richmond): Mr. Speaker, the purpose of Bill No. C-19 which has been introduced today is to amend the Small Loans Act in order to require any moneylender or small loans company coming under federal jurisdiction to state in any advertising in which the amount required by way of monthly or periodic payment is indicated in order to repay the loan, what the cost of such loan amounts to in terms of per cent per annum. I may say that the principle of the bill is one that I accept wholeheartedly. I think there is wide agreement among hon. members of the house that some legislation of this type is needed.

Many hon. members feel that this is not exactly the type of legislation that is required, but I am sure that they and, indeed, those of the other place would like to see this problem examined very closely and legislation of some type brought in to effect the principle set forth in the bill. I think all hon. members will agree that today more than ever before there is a need for some control of advertising in the consumer lending field.

Over the last decade or so there has been a great growth in consumer credit. We have seen the sources of financing of many of the things we buy today change in this period. There was a time when the money required to finance the purchase of household articles, automobiles and all manner of personal chattels was obtained through the banking system. Today many retailers set up the financing required for articles of this kind or the purchaser will be referred to the finance companies, the acceptance corporations or the credit union. These are the leading types of consumer credit organizations in the modern world.

Since I have mentioned the credit union, I should like to take a moment to express to you, Mr. Speaker, and to the house my own experience in the credit union work. As all hon. members know, credit is often more difficult to obtain in rural areas than it is in urban areas of Canada. The credit union has helped a great deal in this field. In my own

riding, the obtaining of credit is perhaps the largest difficulty that faces the farmer or fisherman who tries to become established as an economic business unit. In many cases, the credit that he could not otherwise have obtained has been available to him through the credit union, through the co-operation of his friends and neighbours who have joined with him in this very worth-while financing operation.

It is important also to note that perhaps the most important work credit unions have done has been in the educational field. Many people, not only in rural areas but in our urban centres as well, formerly knew very little about even rudimentary financial operations, but as a result of the operations of the credit unions they have learned a lot about what money can do, what it costs and from where it comes. It has been my good fortune for over a dozen years to be a member of a credit union and for perhaps a third of that time to have served on the credit committee of that organization. During those years I was forcibly impressed with the assistance given by credit unions to people who otherwise found the ordinary channels of credit closed to them. I can certainly say to the members of the house that any support they are able to give to the credit union movement or to the work these organizations are doing, will prove of great service to the people of Canada generally.

I have often wondered whether or not there was any way in which this parliament could give encouragement to the credit union by making funds available. The source from which the capital of the credit union is drawn is not the wealthiest segment of the population. These organizations provide credit, not only for education but for other purposes, to people who would otherwise have very narrow sources of credit.

In so far as Bill No. C-19 is concerned, my first impression upon reading it was, why should any moneylender object to setting forth the interest rate which he is charging his customers? Certainly, in so far as any other type of lending is concerned, through the banks, mortgage companies or under the National Housing Act, the interest rate is made known to the borrower. There is no attempt made to hide it from him. There is an area of financing in which interest rates are hidden, as some hon. members have said here today. I think we all know that this is true. I see no reason why we should not ask corporations which lend money in the consumer field to show, in their advertising, what rate of interest they are charging. I think nothing could be fairer than that we ask the lender to tell the borrower how much he is being charged for the use of the lender's money. I wonder, however, if it might not be more prudent to have the bill referred to one of the standing committees of the house, perhaps the banking and commerce committee, for a thorough examination of the problem.

The day will come, I am sure, when we will have to invite the provincial governments to join with the federal government in enacting legislation which will cover all aspects of financing in Canada, not only consumer financing but the mortgage field as well. In view of the high interest rates charged on second mortgages throughout the country, I am sure many borrowers woud be better off if some joint effort were made by the provincial and federal governments towards the establishing of comprehensive, overall legislation to regulate financing in Canada. Certainly no such legislation could cover all aspects of the situation unless it were the result of a joint effort of the provinces and this parliament because many of the aspects of finance come under provincial jurisdiction while only a small part comes under the jurisdiction of this parliament.

I conclude by saying that, along with other hon. members who have spoken, I support the general principle of this bill. I should like to see the matter examined further by a committee of this house. I should be very surprised if many voices were raised in opposition to the general principle that the rates being charged by financing concerns should be shown in their advertising literature.

Mr. Argue: You have killed the bill by faint praise.

Mr. Speaker: Order; the hour for public and private bills having expired, the house will resume the business which was interrupted at five o'clock.

BUSINESS OF THE HOUSE

Mr. Dumas: I wonder if the leader of the house will be able to tell us what the business will be for next week?

Mr. Churchill: The business I announced last night will hold for Monday.

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

Questions

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of debates pursuant to standing order 39:

SMALLPOX VACCINATIONS AND DEATHS

Question No. 150—**Mr. Pitman:**

1. How many children were vaccinated in Canada in the years 1958, 1959, 1960?
2. How many deaths from smallpox were recorded among those children vaccinated in each of these years?
3. How many deaths from smallpox were recorded in the above years?

Answer by: **Hon. J. W. Monteith (Minister of National Health and Welfare):**

1. The number of persons in Canada immunized in Canada against smallpox is not reported to the federal government. However an estimate is as follows: 1958, 1,208,500; 1959, 934,000; 1960, 1,332,000. Probably most of the above are children.

2 and 3. No deaths due to smallpox were reported in Canada for the above years.

PORK EXPORTS AND IMPORTS

Question No. 181—**Mr. Pitman:**

1. What was the total export of pork during the year 1960?
2. What was the total import of pork during the year 1960?
3. What was the total export of pork during January and February 1961?
4. What was the total import of pork during January and February 1961?
5. What was the total export and import of pork during these months in 1960?

Answer by: **Hon. George H. Hees (Minister of Trade and Commerce):**

1. Exports of specified forms of pork during the calendar year 1960 were as follows:—

Class No.	Description	Unit	Quantity	Value
2620	Pork, fresh, chilled and frozen	Cwt.	511,266	$ 15,568,642
2630	Bacon and sides, cured n.o.p.	Cwt.	38,460	3,059,703
2634	Hams and shoulders, cured n.o.p.	Cwt.	21,100	1,409,818
2642	Hams, canned	Lb.	3,940,561	2,891,385
2660	Pork, pickled, in barrels	Cwt.	72,251	930,784
2666	Hams, cooked, not canned	Cwt.	14,419	1,450,703

2. Imports of specified forms of pork during the calendar year 1960 were as follows:—

Class No.	Description	Unit	Quantity	Value
2253	Pork, fresh	Lb.	11,476,124	$ 3,465,073
2261	Pork, prepared or preserved, other than canned n.o.p.	Lb.	5,584,667	1,361,060

3 and 4. Not yet available.

5. Exports and imports of specified forms of pork during the months of January and February 1960 were as follows:— (see readings as above)

	Class No.	Unit	January 1960		February 1960	
			Quantity	Value	Quantity	Value
Exports	2620	Cwt.	68,124	$1,488,609	27,213	$ 937,782
	2630	Cwt.	2,861	251,872	2,830	242,207
	2634	Cwt.	1,308	79,601	1,224	83,913
	2642	Lb.	431,386	356,923	360,057	272,709
	2660	Cwt.	6,492	72,500	6,172	81,000
	2666	Cwt.	1,278	123,320	1,105	108,597
Imports	2253	Lb.	3,532	1,775	223,492	61,097
	2261	Lb.	125,489	45,039	105,439	41,246

HOUSE OF COMMONS

Monday, April 17, 1961

The house met at 2.30 p.m.

VETERANS AFFAIRS

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

Hon. Gordon Churchill (Minister of Veterans Affairs) moved:

That items numbered 453 to 478 inclusive, and items 494 and 495, as listed in the main estimates 1961-62, relating to the Department of Veterans Affairs, be withdrawn from the committee of supply and referred to the standing committee on veterans affairs, saving always the powers of the committee of supply in relation to the voting of public moneys.

Motion agreed to.

HOUSING

ANNOUNCEMENT OF DEVELOPMENT OF SECONDARY MORTGAGE MARKET

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I should like to inform the house of certain actions being taken by the government to develop a secondary mortgage market in Canada and thus to increase the flow of private investment into housing and contribute to greater stability in the construction industry.

Since 1954 the National Housing Act has provided for the purchase and sale of insured mortgage loans. Activity in this field, however, has never been very substantial. The result has been that in periods of reduced private investment in N.H.A. mortgages very large amounts of government funds have had to be made available to Central Mortgage and Housing Corporation for direct lending purposes.

The first step necessary to encourage an active market is to ensure that there is an ample supply of existing mortgages available to interested buyers. Accordingly the government has instructed C.M.H.C. to offer for sale as soon as possible, at reasonably attractive yields to investors, mortgages now held in its portfolio as a result of the extensive direct lending operations it has undertaken since this government took office in 1957. The saleable component in the C.M.H.C. portfolio exceeds $750 million, and the corporation will make available for sale whatever portion is required to lay a firm basis for an active market.

The government is confident that the development of an active secondary mortgage market will create not only a more regular but actually a larger demand for N.H.A. mortgages. The ability to dispose of mortgages in the market should encourage approved lenders to undertake more lending. However, if a secondary mortgage market is to be developed and maintained it is apparent that there will have to be greater flexibility in the determination and setting of the maximum N.H.A. rate on new mortgages and this rate will have to be kept more closely in line with other long term interest rates. Accordingly the government proposes, under section 4 of the National Housing Act, a semi-annual review of the N.H.A. interest ceiling having in mind the long term yield on government bonds prevailing at that time.

It is anticipated that the market will develop in two ways; through the sale of blocks of mortgage loans by one institution to another or among pension funds and trusts, and through sales to a new type of company, some of which are already in existence, which would enable the small investor to participate in the mortgage market through purchase of its debentures or shares.

The prices at which N.H.A. insured mortgages are to be sold will depend, of course, upon many considerations, including the interest rate at which the mortgage was written, the life of the mortgage still to run and the condition of the capital market at the time of sale. It is quite apparent that a mortgage bearing 6 per cent interest will sell at a price less than one bearing 6¾ per cent interest. Let me make it perfectly clear, however, that the sale of mortgages by C.M.H.C. does not in any way affect the interests of borrowers, which are defined when the mortgage is issued and do not change when it is sold.

There remain several technical and procedural matters to be resolved. I was sure, however, that the house would want to know of this further significant step which the government proposes for the promotion of housing and the development of the Canadian capital market.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like immediately to welcome any intention of the government to establish in our nation a well organized market for the sale of mortgages. This effort is long overdue,

because we have regrettably witnessed an undue amount of racketeering which has obtained over the years in this field.

While I welcome what I hope is the basic intent of this government, I regret to note the minister's announced intention of offering to the market no less than—if I heard him correctly—$750 million worth of mortgage paper and to accept a price for this paper that, as he said, is subject to many considerations. As I view the market today, this could cause the taxpayers of Canada a loss of $75 million if we assume that the discount at which these papers are to be offered is not to be greater than 10 per cent.

Mr. Fleming (Eglinton): That is outlandish.

Mr. Regier: I regret very much that the government has so much allegiance to the money lenders of Canada and so little allegiance—

Mr. Speaker: Order. The hon. member is entitled to disagree with the announcement of policy, but this is not the time to debate the matter or to make statements of the kind upon which he has just embarked.

Mr. Walker: Mr. Speaker, the hon. member has not been listening to my statement. He is putting forward a completely false interpretation of the whole matter.

Mr. Speaker: Order. I think perhaps—

Mr. Regier: I wonder whether I might ask the minister a question.

Mr. Speaker: Order. The minister would be in order to correct a misapprehension about his statement which has been made evident by the comment of the hon. member for Burnaby-Coquitlam.

Mr. Walker: Mr. Speaker, the statement will speak for itself and perhaps the hon. member will read it when it appears in *Hansard* tomorrow.

[*Later:*]

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to ask the Minister of Public Works, in the light of his announcement earlier today, whether this parliament may expect legislation in respect of the announced intention of the government to establish a mortgage market for real estate in Canada?

Hon. D. J. Walker (Minister of Public Works): I want to thank the hon. member for Burnaby-Coquitlam for asking this question, but I do not believe legislation will be necessary. We can make the amendment to the regulations.

[Mr. Regier.]

Mr. W. H. McMillan (Welland): I should like to direct a question to the Minister of Public Works. What actual loss to the treasury of Canada is contemplated from the sale of N.H.A. mortgages, as announced by the minister earlier?

Mr. Walker: None, Mr. Speaker.

SIR JOHN A. MACDONALD

ESTABLISHMENT OF LEGAL HOLIDAY IN MEMORY

Mr. Jack Wratten (Brantford) moved for leave to introduce Bill No. C-83, respecting Sir John A. Macdonald day.

Some hon. Members: Explain.

Mr. Wratten: Mr. Speaker, the purpose of the bill is twofold; first, to establish the Monday following February 15 in each year as a legal holiday and, second and most important, to name this holiday Sir John A. Macdonald day in memory of Canada's greatest statesman, the father of confederation and our first prime minister.

Motion agreed to and bill read the first time.

MOTIONS FOR PAPERS

U.K. URANIUM PURCHASES

Motion No. 100—**Mr. Argue:**

For a copy of any contract, letter of intent, correspondence, or other documents, exchanged between Eldorado Mining and Refining Limited and The United Kingdom Atomic Energy Authority since January 1, 1956, in relation to the purchasing of Canadian uranium concentrates by The United Kingdom Atomic Energy Authority.

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, a similar motion was presented just prior to the Easter recess, and when the item was called on March 29 the Minister of Trade and Commerce suggested to the hon. member that the motion be rephrased. In the course of his remarks, which are to be found on page 3459 of *Hansard*, the Minister of Trade and Commerce said:

It would be understood, of course, that the production of these documents would require the prior consent of the other parties to this correspondence.

During the Easter recess the views of the United Kingdom authorities were sought, and they have intimated that in their opinion negotiations between Eldorado and the United Kingdom atomic energy authority would be seriously prejudiced if the documents were tabled. In the circumstances, therefore, the motion cannot be accepted.

Mr. Speaker: In view of the explanation made by the minister, what is the wish of the mover?

Mr. Argue: Withdraw it.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

CANNED PORK DONATIONS, CHARITABLE PURPOSES

Motion No. 101—**Mr. Argue:**

For a copy of all correspondence exchanged between the federal government and any agency thereof, and any provincial or municipal government, or any institution or organization, since December 11, 1959, regarding the distribution for charitable purposes of canned pork luncheon meat acquired by the agricultural stabilization board.

Hon. Alvin Hamilton (Minister of Agriculture): With the usual reservations, Mr. Speaker.

Mr. Speaker: Would the minister specify the reservations?

Mr. Hamilton (Qu'Appelle): Those involving the provincial governments. We have to get their prior approval.

Mr. Speaker: Subject to the reservation expressed by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

MR. VANDENHEUVEL, GODERICH, ONT.

Motion No. 102—**Mr. Badanai:**

For a copy of any correspondence between Mr. VandenHeuvel of Goderich, Ontario, and the Minister of Citizenship and Immigration, or any officials of her department, since January 1, 1961.

Motion agreed to.

Motion No. 104—**Mr. Badanai:**

For a copy of any correspondence between Mr. VandenHeuvel of Goderich, Ontario, and the Minister of Labour, or any officials of his department, since January 1, 1961.

Motion agreed to.

STATION CHEK-TV, LOWER MAINLAND, B.C.—COMPLAINTS

Motion No. 105—**Mr. Regier:**

For a copy of all correspondence received by the Department of Transport complaining of the operations of CHEK-TV in the lower mainland of British Columbia, and for a copy of all replies to these complaints.

Motion agreed to.

TRANSPORTATION

ROYAL COMMISSION—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the Prime Minister when we may expect a statement of policy on behalf of the government in connection with the report of the royal commission on transportation.

Right Hon. J. G. Diefenbaker (Prime Minister): I can only say, Mr. Speaker, that the royal commission report is receiving the consideration of the cabinet, and when a decision is made on the recommendations or any of them the house will immediately be made aware thereof. I realize that early consideration must be given to this most important report, but it is one that requires a great deal of intensive study, as the hon. gentleman will realize. As soon as the government is in a position to inform the house as to the course to be followed, that will be done.

Mr. Chevrier: May I ask a supplementary question, Mr. Speaker. In the light of the statement made by the Prime Minister during the debate on the Maintenance of Railway Operation Act, that after the report of the royal commission was tabled legislation would then be introduced, when may we expect this legislation?

Mr. Diefenbaker: Mr. Speaker, there is nothing inconsistent in what I have just said. The answer I have just given covers the situation very thoroughly, I think.

Mr. Chevrier: May I ask a further supplementary question. Has the Prime Minister seen the article by Mr. Blakely in this morning's issue of the *Gazette* in which he states that parliamentary reaction to the MacPherson report has been mixed and that the government views it with misgivings? Has he any comment to make thereon?

Mr. Speaker: Order. I think the hon. member for Laurier will appreciate that the question is really not a question, in that it cites an expression of opinion and asks the Prime Minister to express his opinion. This matter might more properly be introduced during debate.

Mr. Hazen Argue (Assiniboia): May I ask a supplementary question. Can the Prime Minister say whether it is the intention of the government to extend the legislation which provides for a freeze on freight rates, or does the government intend to have other legislation brought in before the end of the month?

Mr. Diefenbaker: Mr. Speaker, I think I have made the situation quite clear. The hon. gentleman's question will be answered, of course, when the government makes known its views in respect of the transportation report.

Inquiries of the Ministry

NORTHERN AFFAIRS

FAILURE OF MINISTER TO VISIT ARCTIC ISLANDS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Northern Affairs and National Resources. In view of the fact that Canada's claim to the islands of the Canadian archipelago were established by the raising of our flag on Ellesmere island and a proclamation by Commander Low in the early years of this century, and in view of the apparent necessity constantly to emphasize Canada's sovereignty over the islands of the Canadian archipelago, will the minister explain to the house why, in his first official visit to the northwest territories, his itinerary did not include a single point north of the mainland of Canada?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, I should like to thank the hon. member for giving me notice of his intention to ask this question. I should like to assure him that Canada's claim to the Canadian Arctic archipelago actually predates the incident to which he refers.

So far as my own visit to the territory is concerned, may I say that during the Christmas recess I visited the Yukon territory. During the Easter recess I visited the northwest territories. As soon as possible I hope to visit the eastern Arctic and the Canadian archipelago. In the meantime my colleague the Minister of Justice (Mr. Fulton) made a thorough tour of the eastern Arctic during the Easter recess.

(Translation):

HARBOURS

MONTREAL—REPORTED DENIAL OF ACCESS TO DOCKS

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I should like to put a question to the Minister of Transport.

Could the minister inquire of the national harbours board authorities about the reason for prohibiting access to the Montreal harbour since last Saturday, to the residents of Montreal and especially to hundreds of anglers who were in the habit of engaging in their favourite sport there? Will the minister see to it that this ridiculous order is cancelled?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I shall inquire immediately into the grievance voiced by the hon. member for Maisonneuve-Rosemont.

[Mr. Diefenbaker.]

(Text):

WATER RESOURCES

TRENT WATERWAY—INQUIRY AS TO MAINTENANCE OF WATER LEVELS

On the orders of the day:

Mr. Walter Pitman (Peterborough): I should like to submit a question to the Minister of Transport. I apologize for being late in giving him notice, and perhaps the minister will take the question as notice. Has the minister received a brief from the Peterborough chamber of commerce with regard to the Trent waterway system? If so, can the minister assure the house that there will be no change in policy in regard to the present water levels, as requested in this brief?

Hon. Leon Balcer (Minister of Transport): I will take this question as notice.

PUBLIC SERVICE

JOHN FISHER—REPORTED APPOINTMENT AS SPECIAL ASSISTANT TO PRIME MINISTER

On the orders of the day:

Mr. Arnold Peters (Timiskaming): I should like to ask the Prime Minister a question arising out of a newspaper report appearing in Saturday's issue of the *Globe and Mail* announcing the appointment of the well known Canadian publicist, John Fisher, to the staff of the Prime Minister. Will the Prime Minister inform the house whether this news report is correct? If so, what are the duties of Mr. Fisher?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the appointment was not announced. The fact was announced that at the end of May John Fisher will commence his duties as a special assistant with particular reference to preparations that are to be made in connection with the centennial to which we are all looking forward. While I am on my feet may I say that when the formal appointment is made, the suggestion that he will receive more than $10,000 a year is completely unwarranted.

BUSINESS OF THE HOUSE

REQUEST FOR STATEMENT ON LEGISLATIVE PROGRAM

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Prime Minister and ask if he will not make a statement in the house at a later date concerning the legislative program he has in mind from now until the end of the session, over and above that which is on the order paper.

Right Hon. J. G. Diefenbaker (Prime Minister): In reply to the hon. member for Laurier may I say this. Today, April 17, is the eighty-fourth sitting day of this session, and I think early consideration should be given to a motion being made in the house to extend the hours of sitting. Recently I was in the United Kingdom and, as the hon. gentleman knows, right from the beginning of the session there the hours are considerably longer than the hours this house sits. I would think we might be in a position later this week to make a motion whereby, if the house would agree, an extension of the hours might take place, at which time we should place before the house in general the legislative program which must be faced in the days ahead.

The session began in November. I had hoped, and it had been the expectation of many hon. members, that they would be able to go home and spend the summer months of July and August with their families, because most of them who are married find themselves separated from their families at vacation time.

An hon. Member: A lot of them are there now.

Mr. Diefenbaker: That may also make it necessary for consideration to be given, in the event that the legislative program would carry us beyond the first of July, to the suggestion that if the program should not be completed by that time we might adjourn for six weeks and then return to complete the work of this session, because a lot remains to be done.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I am sure that in a spirit of co-operation what I have suggested is going to appeal to hon. members in all parts of the house.

Mr. Chevrier: In the light of what the Prime Minister has said, does he not think that before placing a motion on the order paper, or at least before the motion comes up for discussion, he should indicate to the house what the legislative program is to be from now until the end of the session?

Mr. Diefenbaker: I have already said that when later this week a decision is reached by the house, at that time, before the decision is made, I should think it would be proper that the house be taken into the confidence of the government and made aware of the very large program which still remains to be dealt with before this session can be completed.

Inquiries of the Ministry

THE CENSUS

INQUIRY AS TO RECRUITMENT OF WORKERS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the parliamentary secretary to the Minister of Trade and Commerce. In view of the present unemployment situation can the parliamentary secretary assure the house that in the appointment of census takers, needy, capable persons will be given first consideration regardless of party affiliation?

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): This is no different from a question which was asked only a few days ago, when I pointed out that the appointment of census enumerators rests with the census commissioners. That policy has not changed.

Mr. Herridge: I might remind the parliamentary secretary that the previous question—

Mr. Speaker: Order. If the hon. member has a supplementary question to ask, well and good, but he has not the floor if he wishes to make a statement.

Mr. Herridge: Does not the parliamentary secretary appreciate the fact that he failed to appreciate the difference between the census commissioners and census enumerators?

Mr. Morris: I think it unlikely that I would misunderstand the difference between a census commissioner and a census enumerator.

SASKATCHEWAN

RESERVATION OF LEGISLATION RESPECTING MINING CONTRACTS

On the orders of the day:

Mr. A. C. Cadieu (Meadow Lake): May I ask the Prime Minister whether he is able to report on the latest developments in regard to the situation created by the withholding of the royal assent by the lieutenant governor of Saskatchewan.

Right Hon. J. G. Diefenbaker (Prime Minister): As the house knows, before the Governor General can give consideration to such reservation it is necessary for the lieutenant governor to place before His Excellency not only the legislation which has been reserved but the reasons for the reservation. A few days ago I was asked a question in this connection and at that time, as the hon. member knows, I stated that as yet no report had been received from Mr. Bastedo, the lieutenant governor of Saskatchewan.

However, on April 15 the lieutenant governor sent a letter to the Governor General and a copy thereof to the Secretary of State to which was attached the documents to which I have already made reference, with the exception of one to which reference is made in the report, namely the recommendations of a royal commission known as the grain commission which was set up apparently pursuant to a request by the government of Saskatchewan.

As I say, the material has just now come into the hands of the government, and an immediate and early examination will be made. Any determination in connection therewith will, of course, be transmitted first to the lieutenant governor and then to the premier of the province of Saskatchewan.

Mr. Hazen Argue (Assiniboia): A supplementary question. I wonder if the Prime Minister could say whether or not the law firm with which Mr. Bastedo is connected has a direct pecuniary interest in the outcome of this legislation—

Mr. Speaker: Order. I had occasion the other day to remind the hon. member that it is not in order in this house to make statements which reflect in any way, either directly or by inference, on the conduct of Her Majesty's representatives, and I trust he will not offend in that respect.

Mr. Argue: On the point of order, is it not in order to ask? I made no accusation. I asked whether or not the law firm with which the lieutenant governor is connected has a direct pecuniary interest—

Mr. Speaker: Order. I heard the hon. member's question and it seemed to me, in my best judgment, that it was a question which cast a reflection on the conduct of the lieutenant governor.

Mr. Argue: Only if he has a connection.

EXTERNAL AFFAIRS

CUBA—INQUIRY AS TO SAFETY OF CANADIAN CITIZENS

On the orders of the day:

Mr. R. J. McCleave (Halifax): I wish to direct a question to the Secretary of State for External Affairs. Has the hon. gentleman any report to make on the safety of Canadians in Cuba, where some form of civil war has now broken out?

Hon. Howard C. Green (Secretary of State for External Affairs): Such reports as are available to the Department of External Affairs indicate that military operations have taken place today in several parts of Cuba. The situation is confused, and it is too early for me to make any useful comments at this time. We have, of course, been in touch with the Canadian embassy in Havana, and are keeping a close watch on events. Plans have been worked out to be put into effect at short notice to assist Canadian citizens in Cuba should that be necessary.

COMBINES

GENERAL MOTORS—SUGGESTED INVESTIGATION INTO BUS MANUFACTURE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I would like to direct a question to the Minister of Justice. In view of recent proceedings taken by the United States attorney general against General Motors in respect of the alleged monopoly it has in the manufacture of buses, and since buses produced by this same company, in a large part in the United States, may dominate our market for buses, has the minister or his officials of the combines investigation branch considered an investigation in Canada into this particular phase of General Motors operations here?

Hon. E. D. Fulton (Minister of Justice): Not to my knowledge, Mr. Speaker, but if the hon. member has reason to believe that there is an improper monopoly in the manufacture of diesel buses in Canada I should be very grateful if he would bring it to the attention of the proper officials.

Mr. Fisher: I would like to ask a supplementary question. The question did not refer to diesel motors but to buses, and I would ask the minister if he does not remember that we had a bus company close in Fort William because of the competition from General Motors buses.

LABOUR CONDITIONS

REGINA—INQUIRY AS TO R.C.M.P. INTERVENTION IN LAUNDRY STRIKE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I would like to direct a question to the Minister of Justice. On March 29 I asked the Associate Minister of National Defence whether the army would respect the picket line established at the Rainbow Laundry and Dry Cleaners in Regina. In view of the discontinuance of army deliveries through the picket line as a result of the associate minister's statement in the house, may I now ask the Minister of Justice whether the R.C.M.P. will, in like manner, respect the picket line.

Hon. E. D. Fulton (Minister of Justice): While I thank the hon. gentleman for giving me notice of his intention to ask this question, I was not able to obtain information, in

the time at my disposal, as to whether or not the R.C.M. police do in fact make any calls or have any occasion to go in and out of this laundry. I have to make these inquiries first, and will give the hon. member an answer as soon as I can.

CUSTOMS TARIFF

Hon. Donald M. Fleming (Minister of Finance) moved the second reading of Bill No. C-72, an act to amend the Customs Tariff.

He said: Mr. Speaker, Bill No. C-72 is the last of the measures arising out of the supplementary budget of December 20 last awaiting enactment. It is in precisely the same form as the resolution which was reported back to the house by the committee of ways and means on March 2. That resolution, quite apart from the budget debate in December and January last, was debated in the committee of ways and means on February 1, 2, 3, 15 and 27, and on March 2. I trust, therefore, that the ground has been quite fully covered and it will not be necessary to traverse the same ground at length.

In the present debate we are concerned with the principle of the bill. May I define what I conceive to be the principle of the bill. The concept of "class or kind" goods in the Customs Tariff dates, in its present form, from the Fielding budget of 1907. The concept really made its first appearance in the Customs Tariff in 1873. The concept contemplates that there shall be different customs duty rates with respect to goods, depending upon whether those goods are of a class or kind made in Canada. If they are not of a class or kind made in Canada the Customs Tariff rate is lower. If they are of a class or kind made in Canada the customs duties are accordingly higher.

Not only does the rate of customs duty differ depending upon the determination of this question, but the application of dumping duty as well. We have had provision for dumping duties in our legislation since 1904, and it is open to the government to apply dumping duties only in the case of goods of a class or kind of goods made in Canada. The purpose of such legislation, undoubtedly and unblushingly, is protective; it certainly was in 1907 and has been ever since. It is intended to provide encouragement for the manufacture and production of goods in Canada. The expression appears in numerous items of the Customs Tariff, indeed 70 or more.

The interpretation and application of these terms in the Customs Tariff presented really no problem until the last decade, but in this last decade the course of decisions has been to erode the accepted meaning of these words and reduce the intended benefit to Canadian producers. Indeed, the course of decision in this decade has created some quite extraordinary results; one which engaged the attention of the committee of ways and means was the shovel case. This was the case of the import of a power shovel having a 2½-yard capacity. It was competitive with a 2-yard shovel which was made in Canada but, because the 2½-yard size had never been made in Canada, it was held that such machines were of a class or kind not made in Canada, regardless of the fact that the facilities existed in Canada for the manufacture of a 2½-yard shovel.

We are living in the era of GATT, and have for the past 14 years. We support GATT, and under GATT trade advantages in markets of different countries are a matter of bargaining and agreement. For reductions in the Canadian tariff in favour of imports from other countries we bargain, and often bargain hard, for a price: a price in the form of similar advantages extended to Canadian exporters in the markets of the foreign country or countries concerned. When, in the course of bargaining, common ground is reached in regard to the price to be paid, that is to say in terms of mutual exchanges of tariff advantages, then we enter into an agreement with such country or countries. We do not give advantages of this kind away for nothing in this era of GATT.

Under GATT rates of customs duties are bound. Never has the definition of "class or kind" been bound under any GATT agreement. Erosion of the meaning of the expression has, therefore, given advantage to other countries exporting to Canadian markets, advantages for which they never bargained and for which they never paid Canada a price in the form of concessions to Canadian exporters, an advantage which those countries never expected. In brief, it was simply a windfall to them.

We cannot afford to give windfalls for nothing to other countries in terms of advantages in Canadian markets in this way. The erosion which has continued has cost and is costing jobs to many Canadians. This legislation aims at restoring those jobs to Canadians.

The issue presented by this measure is whether we wish to see unemployment in Canadian industries which, as a result of the erosion of the past decade, have lost the advantages they previously enjoyed. I say that the principle of this bill then relates to the clarification of a definition with a view to restoring the value of those provisions in the Customs Tariff to the position that they were recognized to have prior to the decade of erosion.

What, then, is the effect of the bill, Mr. Speaker? The bill—

Mr. McIlraith: Will the minister permit a question at this time, before he leaves the subject of erosion?

Mr. Fleming (Eglinton): I shall be coming back to that later, and I think I can satisfy the inquiry of the hon. member at that time.

The effect of the bill is to divide certain imported goods into two classes. First there are shelf goods and, second, there are custom made goods according to specifications. As to the shelf goods which, of course, will be in the majority, the measure will provide that goods will be deemed to be of a class or kind made in Canada if goods of approximately the same class or kind are made or produced in Canada. There is a condition that they shall not be so deemed to be of a class or kind made in Canada unless at least 10 per cent of the normal Canadian consumption thereof is made or produced in Canada. In this respect the condition which now is to be found in order in council No. 1618 of July 2, 1936, will be made in effect a matter of statutory enactment instead of executive decree, which it has been ever since 1936.

As to the second class of goods, namely those custom made according to specifications, goods of this nature will be deemed of a class or kind made in Canada if adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time.

There is a condition applicable to both the shelf goods and those custom made according to specifications. The goods may be deemed to be of a class or kind not made or produced in Canada where similar goods made or produced in Canada are not offered for sale to the ordinary agencies for wholesale or retail distribution, or are not offered to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.

Sir, the reasons for separating goods into two classes are obvious. The provisions for determining whether goods are to be deemed to be of a class or kind made in Canada are sound and reasonable. They will provide what, in the light of the erosion of the past decade, as a result of decisions, has been badly needed; namely, first a clear definition and, second, a restoration of the law as it was previously construed and applied before this decade of erosion. With the enactment of this measure, Mr. Speaker, we shall have for the first time a positive definition where previously there has been merely a negative limitation.

My next observation concerns the method of determination. Under the present law the decisions of the deputy minister of national revenue are subject to an appeal which lies to the tariff board; that is to say, appeals from his decision with respect to whether goods are or are not of a class or kind made in Canada. The tariff board conducts hearings of such cases, in the legal expression, *de novo*. The appeals are not argued from the record in the previous stage of proceedings. A further appeal lies from the decision of the tariff board to the Exchequer Court of Canada on a question of law; similarly, an appeal lies from the decision of the Exchequer Court of Canada to the Supreme Court of Canada on a question of law. Both in the Exchequer Court and in the Supreme Court of Canada, of course, the appeal is argued from the record; there is no hearing *de novo*.

This bill makes no reference whatever to the subject of appeal. It does not abolish the right of appeal on findings on the question whether goods are of a class or kind made in Canada, but it does provide quite simply that as to three elements in such cases the decision of the Minister of National Revenue shall be final.

These three elements are, first, whether the goods in question are shelf goods or are custom made according to specifications; second, if they are shelf goods, what is the normal consumption thereof in Canada; third, as to the other class of goods, namely those goods made according to specifications, whether adequate facilities exist in Canada for the economic production thereof within a reasonable period of time. A full right of appeal continues with respect to leading elements such as the following: first, whether or not the imported shelf goods are of approximately the same class or kind as goods made in Canada; second, the determination of the amount of Canadian production; third whether or not the number of articles manufactured in Canada does in fact constitute a minimum of 10 per cent of normal Canadian consumption.

Under the provisions of the bill in the matters I have just now mentioned the house will recognize the advantage that the bill offers in that it will simplify procedure and expedite decision, and this will react to the advantage of business, including Canadian importers. Under the present law, with its uncertainties, there have been some very long delays, drawn out procedures, and great uncertainties which have been harmful to business operations.

Sir, as to some of the criticisms that have been heard in this regard, I should like to say at once that in my respectful submission there has been a great deal of exaggeration and misunderstanding. We are not taking

away the right of appeal. The bill will provide that with respect to three matters the decision of the minister in such appeal shall be taken to be final. In these three elements the minister is in the best position to make these determinations. They are largely on statistical questions, and moreover depend very largely on confidential information obtained from those engaged in business and trade, information that they are often quite loath to put forward in a public hearing before the tariff board because that information is frequently of advantage to their competitors.

Therefore, Mr. Speaker, I have to say that there has been a great deal of exaggeration in the views that have been expressed on this subject. Perhaps what has been said today will help to clarify the terms of the bill in this regard.

It has been suggested, Mr. Speaker, that there is something arbitrary about the kind of provisions that are contained in this measure. Well, one does not hear ringing cries that there has been arbitrary legislation enacted in similar respects by the mother of parliaments at Westminster. Let me draw attention to the kind of legislation that the mother of parliaments has passed in regard to this subject, and the method of determination that is provided under the United Kingdom legislation. I shall be reading certain extracts from a document issued by the board of trade and the commissioners of customs and excise of the United Kingdom. It is notice No. 339 for the year 1960. This is the way in which the law is described in this official publication of the government of the United Kingdom. The first extract relates to the provisions of the law itself, and reads as follows:

1. Law. (a) Liability to duty.—Under the import duties act, 1958, protective duties are normally chargeable on imported machinery in order to protect United Kingdom machinery manufacturers.

(b) Duty free admission.—Section 6 of the 1958 act and paragraph 1(b) of the fourth schedule thereto . . . provide that the treasury may, on the recommendation of the board of trade, direct that payment shall not be required of any duty chargeable under section 1 of the 1958 act on particular importations of machinery, (other than aircraft and parts or equipment for incorporation in or use on aircraft) if similar articles are not for the time being procurable in the United Kingdom. If duty has been paid on importation, the duty may be repaid under a treasury direction.

So you see, Mr. Speaker, that the law is quite comparable with ours and the provision that is made for customs duty on importation, whether it is at the low rate or at the higher rate, is a matter for decision by the treasury on the recommendation of the board of trade. I have not heard anybody complaining about there not being an effective right of appeal there when both the treasury and the board of trade are represented by their ministers in the House of Commons and can be called to account at any time.

I turn to page 4 of this interesting publication under the heading "The 'Similarity' Condition".

(a) General.—The similarity of machines for the purposes of compliance with the statutory condition referred to in paragraph 1(b) is judged primarily in relation to the product or effect and the efficiency with which it is produced. The appearance, size, shape, method of producing the given product or effect and the cost of machines are not regarded as relevant. To justify a recommendation for remission of the protective duty, it must be shown that the foreign machine has a definite and marked superiority in performance over any comparable machine procurable in the United Kingdom. Where such superiority cannot be shown to exist in general performance, application for remission of duty may be made on the ground that the machine has a definite and marked superiority in performance for the particular use for which the user requires it, provided that it is to be employed to a very substantial extent on the work for which it has such superiority.

On the same page paragraph 7 deals with application on the grounds of long United Kingdom delivery, and reads as follows:

Applications for remission of duty on grounds of long United Kingdom delivery will be entertained only if the user of the machine submits evidence to show that when he placed the order for the foreign machine:

(a) no manufacturer in the United Kingdom could deliver a similar machine within two years; and

(b) where delivery by United Kingdom manufacturers was

(i) between 24 and 30 months, the foreign delivery was within 15 months; or

(ii) more than 30 months, the foreign delivery was within one half of the United Kingdom delivery period.

It will be observed that the conditions for qualifying for the application of the lower rate of duty are much more rigid and difficult of compliance under the United Kingdom legislation than they are under the Canadian legislation, and the decisions in these matters rest with the treasury on the recommendation of the board of trade. So much for the allegations that this legislation is of an arbitrary nature.

I was asked at an earlier stage of the session to give some information concerning appeals pending before the tariff board. The total number of appeal cases registered but not heard before the tariff board on the date on which this information was obtained and given to the house, March 8, 1961, was 69, and of these 69 cases I was informed that 20 might have some relationship to the question of class or kind. There were 17 of these 20 cases that were, I am informed, considered as straight class or kind cases, and there were three others in which the tariff classification,

directly or indirectly, possibly might involve the question of whether the goods were of a class or kind made in Canada.

As to those 20 cases, 17 plus 3, I have this further breakdown. In 18 cases the goods were clearly shelf goods within the definition in the bill now before us. One involved goods that under the bill would clearly be custom made according to specifications, and the other case was one in which, I am told, the goods were probably of a kind that would be ruled to be custom made according to specifications under the present bill.

Then there is a further breakdown with respect to those 20 cases pending at March 8. It is a breakdown on the basis of whether or not they would be affected by the proposed amendments to the Customs Tariff in the present bill. I am advised that of the 20 it is quite clear that 18 would not be affected by the bill. One is clearly a case where the decision of the minister, if made under the bill, would be final with respect to the point under appeal, and with respect to the other one of the 20 cases the status was doubtful.

Let me offer a further observation concerning the volume of these appeals. In the calendar year 1960 there were 39 decisions by the tariff board on appeals. Of those 39, 28 related to decisions with respect to class or kind. Of these, only two involved goods that would be interpreted under the present bill as custom made according to specifications. The explanation for the unusually large number of class or kind decisions in 1960 is that from May, 1954 until the Supreme Court of Canada gave its decision in the power shovels case on October 7, 1958 the board virtually ceased hearing appeals involving class or kind questions pending the judgment of the higher courts. It was hoped that the courts or parliament would provide proper criteria, a proper interpretation that would assist the tariff board in future cases of the same kind. But, Mr. Speaker, no assistance was received in this regard from the decisions of the courts and it is needful, therefore, that parliament now supply what is lacking, and what is so obviously lacking, in the way of definition and restoration.

In almost all "class or kind" appeals the issue for decision has involved the question of whether the imported goods were or were not of the same class or kind as the Canadian goods; that is to say, the issue of what were the appropriate limits of the expression "class or kind". There have been very few cases where, having determined the appropriate limit of the term "class or kind", the issue turned on whether the Canadian production constituted more or less than 10 per cent of consumption. One such case, and the only one I have been able to discover in which the issue comes out clearly in the published decision, relates to certain truck cranes, decision No. A-471, dated June 22, 1960.

In this particular case the board accepted, with some publicly expressed misgivings, and used confidential information submitted to it by the department. The board also obtained certain confidential information itself. The board found its own efforts to compile data on consumption difficult, time consuming and not satisfactory. I have the following quotation, Mr. Speaker, from the board's report in this case, and it is informative. I quote:

> At the hearing, counsel for the department requested the board to receive certain evidence in confidence under the terms of subsection 10 of section 5 of the Tariff Board Act. Counsel for the appellant objected to this procedure. After hearing argument from all counsel and assuring itself that the information was indeed "in its nature confidential", the board received the evidence in confidence.
>
> While the board is empowered to receive information that is in its nature confidential it is very much aware of the dangers and difficulties that may be associated with the practice of receiving evidence in confidence.
>
> Accordingly, it would hope that in the future counsel would reach an agreement, as they have been able to do in the past, that would enable the board to come to a decision on the basis of evidence that is not confidential.

Mr. Benidickson: Just for the information of hon. members, would the minister indicate either the names of the parties concerned or the nature of the product over which the dispute took place?

Mr. Fleming (Eglinton): I indicated that the nature of the product was truck cranes.

It will be quite clearly apprehended by the house, Mr. Speaker, from that quotation that the board has itself recognized the difficulties that confronted it in making a determination based upon confidential information. This is the type of difficulty that the present bill is intended to overcome. It will obviously be of assistance to the board in that regard.

The real cause of this difficulty that is mentioned, apart from the problem of obtaining information that is available only in confidence, is the non-existence of appropriate official statistics. Reference has been made to this subject earlier, Mr. Speaker. I simply comment briefly on it now by saying that in most cases the dominion bureau of statistics returns do not give a breakdown in sufficient detail to make available the information required for the establishment of the "normal Canadian consumption". The latter figure is obtained by adding imports to the Canadian production and reducing this total by the exports.

I was asked a question concerning this matter of erosion. Here I should like to give the house the benefit of some study that has

been devoted to that question. I reaffirm that the words "class or kind", as I have said in earlier stages, were intended to be given a reasonably broad interpretation; that in fact they were consistently interpreted broadly until 1950; that during the period since 1950 former departmental interpretations have been narrowed considerably as a result of certain tariff board declarations, and that the effect has been to erode to some extent the protection afforded Canadian producers.

Reference has been made to certain tariff board cases. In his speech on February 20, the hon. member for Kenora-Rainy River quoted extensively from two tariff board declarations relating to power shovels. These were dated April 18, 1953 and May 20, 1954 respectively. He drew from them the comforting conclusion that there has been no erosion or narrowing of the class or kind concept.

I regret that I must profoundly disagree with the hon. member. I say instead that these two cases really demonstrate that the class or kind concept had not been narrowed to the same extent in 1953 or 1954 as it has more recently. This may be illustrated by reference to the 1960 case, appeal No. 450, to which he referred later in his speech.

In this connection it is of interest to compare the issues which were at stake in 1953 and 1954 with those which were at stake in 1960. The issue presented to the tariff board for decision in 1953 was whether all power shovels, without regard to size, should be treated as a single class or kind, or whether it was proper for the Department of National Revenue to apply the range principle and to rule separately in respect of a certain range of sizes of shovels. The effect of the 1953 declaration was to endorse the "range" principle, under which the department had ruled that a certain range of shovels, as measured by dipper capacity, were made in Canada and that sizes outside this range were "not made". This decision was without prejudice to what constituted the proper range of sizes.

The second power shovel case, that is appeal No. 306, on which the tariff board declaration is dated May 20, 1954, had the effect of confining the limits of the range of sizes deemed to be of a class or kind made in Canada. In this case the tariff board decided that it was not legitimate to include in the range of sizes deemed to be "made in Canada" any competitive products of sizes larger or smaller than the largest or smallest sizes actually made in Canada. Thus this 1954 decision maintained the range principle, but at the same time cast doubt upon a number of earlier departmental rulings declaring broad classes of goods to be made in Canada without reference to the question of whether the particular sizes under review were or were not within the range of sizes being made in Canada.

I shall refer later to some of these rulings, and to early tariff board cases confirming them. The point which I make now is that the declaration in appeal No. 306 upheld the "range" principle, but that this same principle was undermined by some later decisions. One such case is the only recent case which was referred to by the hon. member for Kenora-Rainy River in his speech. It is the declaration dated September 12, 1960 on appeal No. 450. This relates to a tilting pan filter which had been imported on November 15, 1956. Here the range principle was not even mentioned in the decision, and the case turned on whether the differences which existed between the particular imported filter under consideration and competing Canadian filters were or were not sufficient to set the imported filter apart as being of a different class or kind from those made in Canada.

The board, in effect, decided that this particular filter did constitute a different class or kind. The inference is that under the existing language of the Customs Tariff imported goods must be virtually identical with the competing Canadian goods or the special rate of duty applicable to "goods of a class or kind not made in Canada" will be applied.

Opinions may differ as to whether the board was right or wrong in this 1960 decision having regard to the language of the statute under which it had to make its decision. However, I submit that this decision to which the hon. member referred, as well as a number of other decisions to which I referred on a previous occasion, represent a serious narrowing of the class or kind concept from that which was intended and which was still being applied at the time that present GATT commitments were entered into in 1947.

The hon. member for Bonavista-Twillingate at one stage remarked that he would wish to be satisfied by concrete illustrations of what the erosion actually amounted to. I do not know whether it is too much to hope for, but I shall endeavour and continue to endeavour to satisfy him. I have reviewed the tariff board declarations relating to the class or kind cases which are on file in the Department of Finance. This review has confirmed that a substantial amount of erosion has occurred to date, and that there exists a serious danger of still further erosion in the future if remedial action is not taken such as that which is proposed in the bill under debate.

Three class or kind appeals which were heard by the board in the years 1933 and

1934 illustrate the original concept. In each instance the tariff board upheld a departmental ruling applying a broad construction to the words "class or kind". I shall deal with these three cases in turn.

The first is appeal No. 4, concerning dolls, the declaration being dated August 18, 1933. This was the first appeal case on which the tariff board made a declaration, the first three appeals having been withdrawn. The question before the board was whether celluloid dolls which admittedly were not made in Canada were of the same "class or kind" as composition dolls, which latter were made in Canada. The tariff board sustained the department's ruling that the two kinds of dolls should be considered together and that accordingly both celluloid and composition dolls were of a class or kind made in Canada.

The second of these appeals is No. 7 concerning pocket lighters, the declaration being dated July 13, 1933. The question in this case was whether an imported pocket lighter of cheap construction was of a class or kind made in Canada. The circumstances were that no cheap lighters were made in Canada, but that more expensive and better fabricated Ronson lighters were made in Canada. The board upheld the department's ruling that both lighters were of the same class or kind.

The third of these appeals is No. 34 concerning rubber combs, and the declaration is dated March 1, 1934. The tariff board in this case dismissed an appeal from a ruling of the Department of National Revenue that hard rubber combs were of a class or kind made in Canada. The circumstances were that celluloid combs were made in Canada; hard rubber combs were not. The department ruled that both types were of the same class or kind, and the tariff board upheld that decision.

Mr. Pickersgill: That is what the election of 1935 was about.

Mr. Fleming (Eglinton): During the war years and the first five years following the war the tariff board was largely inactive and very few appeals were taken to it on any subject. From 1939 to 1949 inclusive there does not appear to have been a case which is significant for our present purpose. However, for the sake of completeness I should mention that in a declaration dated December 30, 1941, in appeal No. 131, the board upheld a departmental ruling that red kidney beans were of a class or kind produced in Canada.

The next case which is relevant and the case which to my mind represents the real beginning of the process of erosion to which I have referred, is appeal No. 206, on which the tariff board declaration is dated March 16, 1950. This was an appeal from a departmental ruling that Mossberg .22 calibre rifles, models 151M and 152 were of a class or kind made in Canada, and hence not eligible for admission under tariff item 441e. The rifles in question were of the auto-loading type. Another type of .22 repeating rifle was being made in Canada by the H. W. Cooey Machine and Arms Company Ltd. of Cobourg. The question at issue was whether or not the imported auto-loading rifles in question should be considered as of the same class or kind as the Canadian made repeating rifles of the same calibre. The board allowed the appeal from the decision of the department, thus narrowing the broad construction which the department had previously given to the phrase "class or kind". The relevant portion of the board's decision reads as follows:

> Dictionary definitions of the word "class" indicate that it is used both in very broad and for very narrow designations, but in the context in which it is used in tariff item 441e it appears to be more or less synonymous with "kind". Consequently, in interpreting this item the board has taken cognizance of the more precise designation "kind". Auto-loading rifles are of a kind not made in Canada. Accordingly the appeal is allowed.

The success of the appellants in this appeal No. 206 was, as might have been expected, followed by a good many other appeals by importers or their foreign suppliers seeking to narrow the interpretation of the expression "class or kind". As I have already said, they have met with a considerable degree of success during the years from 1950 to 1960 inclusive. I shall not attempt to review all these cases in detail, and I do not wish to suggest that all of them involved uninterrupted progress in the process of erosion. As one might expect, the process was not uniform and continuous. The trend, however, is unmistakable. I suggest that any hon. members who wish to pursue the matter further and to evaluate for themselves both the general trend and the cross currents might consult the declarations of the tariff board in the following cases:

Appeal No. 246—fork lift trucks—November 5, 1951.
Appeal No. 246—fork lift trucks (supplementary)—May 29, 1952.
Appeal No. 272—power cranes and shovels—March 18, 1953.
Appeal No. 286—fork lift trucks—May 20, 1953.
Appeal No. 285—Snyder car wheel boring machine—June 15, 1953.
Appeal No. 292—fire brick—November 4, 1953.
Appeal No. 306—power shovels—May 20, 1954.
Appeal No. 317—42 ft. boring mill—July 5, 1954.
Appeal No. 501—newsprint rewinding machine—April 30, 1959.

Mr. Benidickson: Will the minister repeat the number of that appeal?

Mr. Fleming (Eglinton): The last one?

Mr. Benidickson: Yes.

Mr. Fleming (Eglinton): It is appeal No. 501—newsprint rewinding machine, April 30, 1959; appeal No. 455—newsprint machine—April 30, 1959.

Mr. Benidickson: Was not the law changed before that appeal was disposed of?

Mr. Fleming (Eglinton): I beg the hon. member's pardon?

Mr. Benidickson: Did not the Customs Tariff amendments of 1959 alter the law before that appeal was disposed of.

Mr. Fleming (Eglinton): These decisions, if the hon. member cares to refer to them, will be found to be illustrations of what I have been saying with regard to this unmistakable trend of erosion.

Appeal No. 365—transit concrete mixers—October 26, 1959.

Appeals Nos. 307, 413, 429, 431 and others—June 22, 1960.

Appeal No. 383—ball bearings—June 28, 1960.

Appeal No. 450—Eimco pan filter—September 12, 1960.

Appeal No. 517—rolling mill machinery—November 25, 1960.

I have already given the committee details regarding a number of these cases and I shall not repeat what I said earlier. However, in closing I should like to add a word about the most recent declaration in the list, which is dated November 25, 1960. This case will, I think, illustrate as well as any the trend to which I have referred.

This was not an appeal by an importer from a decision of the Department of National Revenue. Rather it was a request by the deputy minister of national revenue for the board's opinion regarding the "class or kind" status of two pieces of rolling mill machinery. One of these was a combination bloom and plate mill and the other was a vertical edger. Traditionally the department had ruled all such rolling mill machinery to be "made in Canada". However, it was recognized that this traditional practice was open to challenge in the light of a number of recent tariff board decisions which had tended to narrow the interpretation of "class or kind". Accordingly, the deputy minister of national revenue referred the case to the tariff board with the following comment:

"Machinery for rolling iron or steel has consistently been ruled to be dutiable under tariff item 427, as of a class or kind made in Canada. The importer claims entry of the above equipment under tariff item 427a, as machinery of a class or kind not made in Canada."

In its declaration which, as I have said, is dated November 25, 1960, the tariff board noted that both bloom mills and plate mills are made in Canada, and that at least one combination mill, although of smaller size, had been made in Canada. However, it found that the particular Blaw-Knox combination mill in question differed in a number of respects from any rolling mill which had been made in Canada as of that date. While there was no suggestion that the mill in question could not be built in Canada, the fact was that no identical or virtually identical mill had been made here. Accordingly, the imported mill in question was declared to be of a class or kind not made in Canada. This declaration, which, as I have said, is the most recent declaration available on a "class or kind" case, provides a further example of the erosion to which I have referred. Its effect was to admit under tariff item 427a at a reduced rate of duty a rolling mill which under the traditional departmental practice followed prior to the decade of erosion would have been classified under tariff item 427 as part of the broad category "machinery for rolling iron or steel" and probably would have been so considered even far into the period of that decade before the process of erosion had run the full course it has now done.

I shall not detain the house further in moving the second reading of this bill. This is a bill which in my respectful submission is urgently needed to bring some assistance to the tariff board in the nightmare in which it has found itself as a result of the course of decisions, and to supply what parliament ought in any circumstances to supply in connection with legislation of this kind, namely a clear definition.

In addition to supplying that clear definition—a positive definition for the first time—this bill will also bring about one other necessary result, and that is the restoration of the legislation to the effect that it was always understood to have prior to what I have called the decade of erosion. Here is a situation in which Canadian workmen have been deprived over the years, and particularly in these latter years, of the benefit of legislation which parliament certainly intended for them and which they enjoyed from the time that this legislation first became effective in 1907 in Mr. Fielding's tariff of that year right down to these recent years. Surely it is their right to have the benefit of that legislation restored to them, particularly when the jobs of Canadians are at stake in the issue.

Mr. W. M. Benidickson (Kenora-Rainy River): In making some further comments in connection with this tariff legislation, now that we have it before us in the form of Bill No. C-72, I wish to point out that when the minister introduced the bill he just said we have it in precisely the same language as in

the resolution. I am afraid that this is what is going to be disappointing to the opposition.

While, as the hon. gentleman said, we had a considerable debate in the committee of ways and means at the resolution stage we are faced now with the exact wording which was so objectionable not only to the opposition but to many elements of the country at large. The Minister of Finance (Mr. Fleming) said he hoped there would not be a great deal of repetition at this stage of the debate. Unfortunately, he has again followed the procedure which was so noticeable during the resolution stage when he simply made assertions rather than gave facts or sought to prove arguments which were challenged during the course of that debate.

The minister even brings up the classical case of the dipper shovel. I might remind hon. members that I took considerable time, on February 15, I think it was, to indicate that in connection with that shovel case it had been established that there was nobody in Canada who was capable of producing this 2½ cubic yard machine at the time of the appeal. I read from the Montreal *Star* in support of this assertion, and, indeed, pointed out that five years after this appeal there was a great celebration when a company in Canada after five years of research and the expenditure of a million dollars found it possible to produce a shovel of this particular kind.

Mr. Broome: To what company is the hon. member referring?

Mr. Benidickson: I think it was the Dominion Engineering Company. Anyway, I did give the details at that time. The premier of Quebec was present. That was five years after the appeal and it was stated that it had taken that length of time before such a shovel could be produced in Canada.

Mr. Montgomery: I have a little machine shop and I could have produced one myself.

Mr. Benidickson: The hon. member for Victoria-Carleton suggests he has a little machine shop capable of doing the work. I think perhaps he had better visit the Dominion Engineering Company who found it took them five years and the expenditure of a million dollars before they could equal the big shovel which was the subject of the appeal in 1953 and 1954.

But despite the nature of the discussion which took place on this case, among other things, at the earlier stage, the minister refers to the shovel again and appeals for an absence of repetition in this debate. The hon. gentleman has referred to a number of other cases with which, of course, I do not intend to deal in detail now. But the fact that he once again simply makes a broad assertion without to my mind establishing any proof of his contention that there has been erosion with respect to a dozen or more cases since 1950, does, in itself, simply invite a very long debate.

I do, however, have some information at hand with respect to the case which, I think in the words of the minister, was the classic or basic case which in his view started the erosion over the past decade. He referred to the automatic .22 rifle case of 1950. Here again we are being invited to repeat ourselves because the minister made no reference whatsoever in his presentation to the house this afternoon to the practice which I outlined during the previous stage of the debate, namely the opportunity that goes to the department itself to make what are called "made in Canada" rulings.

In connection with the .22 rifles' case, the Department of National Revenue had on its books what I think at that time was the last ruling with respect to .22 rifles, a ruling dated 1939. That makes clear a policy of that department which did not accept a range of interpretation because the department was bound by the law of parliament. The law of parliament said that there must be actual production in Canada equal to 10 per cent of Canadian consumption of the particular kind of article that was being imported and being assessed for duty. According to my information it was not until the very day that the appeal was launched in connection with the .22 rifles' case that the Department of National Revenue decided to change its 1939 rulings. I think that new ruling is dated March 16, 1950. This subject could, however, be dealt with in some detail at a subsequent stage of the debate.

The minister again today advances his adherence to GATT. I propose to have something further to say about that this afternoon.

The minister also again refers to appeals, and I propose to have something to say about that in proper sequence later this afternoon, because I think perhaps the public of Canada is more aroused about the taking of this arbitrary power—instead of it being subject to the law of the land and the course of that law—and placing it in the hands of one single minister.

It is sometimes suggested, Mr. Speaker, that there is no consequential difference any more between the party that sits to your right and the party which sits to your left with respect to the administration of tariffs. I think this particular legislation and the legislation that was introduced in 1958, which

again gave very fantastic power to an individual minister, indicate very clearly the traditional difference in tariff administration between the political parties of this country. It is not just coincidence that every time a change of government has occurred during the last 40 years we have found one government reversing the policy of the other an example of which we have here, an instance involving the abolishment of appeals from ministerial decision. This happened in 1921 when we had legislation introduced by Mr. Meighen. It was repealed immediately by the Mackenzie King administration which came into office in 1921. In 1930 the King administration introduced sections 427 and 427(a), regarding the machinery items which the Minister of Finance indicates to us are the most important items which are involved in the legislation that is before us today. In the same year, when the Bennett administration came into office, it cancelled that legislation of the Mackenzie King administration, and when Mackenzie King succeeded Mr. Bennett in 1935 and initiated subsequently the Canadian-United States trade treaty, sections 427 and 427(a) relating to machinery were restored.

We have here, as a result of this proposed legislation, a new Conservative government attempting to erode the meaning, habit and practice with respect to the administration of these items. Notwithstanding what I have said, the minister has said that he is doing no more in this legislation than returning to an historical interpretation and concept. The minister made this assertion in substance today and certainly specifically with the introduction of the supplementary budget on December 20, as reported at page 1013 of *Hansard*.

I have indicated that this machinery legislation was introduced by Mr. Dunning, who was the minister of finance in the Mackenzie King administration of 1930. The present Minister of Finance, on December 20 in his speech as reported in *Hansard* at page 1013, had this to say:

> The purpose of these items, as stated at the time the most important of them were originally established, was to provide for reduced rates of duty on "machinery or production, not procurable in Canada".

According to my research, it was in 1930 in Mr. Dunning's speech that this phrase "not procurable in Canada" was first used. I want to suggest that is perhaps the origin of this phrase in parliamentary debate.

When Mr. Dunning introduced the items 427 with respect to machinery, he had this to say, as reported in *Hansard* of May 1, 1930 at page 1628 in explanation of why this was a desirable amendment to the Customs Tariff. He said:

> All other machinery—including engines and boilers and electrical apparatus—imports of which amount to scores of millions of dollars, and a great part of which is machinery or production, not procurable in Canada, is divided into two classes—made in Canada and not made in Canada; the former group is slightly increased under the general tariff; the latter is reduced under all tariffs and made free under the British preference. Among the machinery and equipment in this latter class which formerly was dutiable and is now made free under the British preferential tariff, are included:

This machinery item is the biggest item that is involved in the amendments before us.

The Minister of Finance has been making some very positive statements across the country, since the budget was introduced, as to the innocence of this legislation, and I think he must have given this indication to his followers in some private conversations in caucus because very few of them have offered protests, as I would have expected. If this is so innocent why then do we in opposition receive so many protests with respect to it?

The minister in a speech to the Empire Club of Winnipeg on February 10, 1961 had the following to say:

> Let me speak now of the measures proposed in the supplementary budget regarding the provisions in the Customs Tariff relating to goods of a "class or kind" made in Canada. I do so because these proposals have been subjected to erroneous interpretation and baseless charges of protectionism.

Well, let us have a look at this matter of "baseless charges of protectionism."

Mr. Pickersgill: Page the hon. member for Lincoln (Mr. Smith).

Mr. Benidickson: I propose to say something about the February 27th speech of the hon. member for Lincoln. He felt rather gratified that, perhaps in so far as industries in his riding were concerned, there would be increased protection and some considerable benefit to them.

With regard to this assertion, I am not going to use such phrases as the minister himself in very recent times has indulged in, whether they are parliamentary or not, such as, "Hopelessly untrue". "Why can't you tell the truth?" "This is an erroneous version with no resemblance to the truth". "It is a reckless misinterpretation". "That is not true. That is not even half true", and so on. What I am going to do is use the parliamentary phrase that *Hansard* uses when some surprise is registered in the house at a statement made. At that time *Hansard* records "Oh, oh". This may not be understood by some readers of *Hansard* and so I am going to say, "Oh, yeah", or "Tell it to the marines".

I suggest to you, Mr. Speaker, that, having read these positive assertions by the Minister of Finance, there is indeed a big gap between rhetoric and reality.

Mr. Bell (Carleton): And the hon. gentleman is proving it.

Mr. Benidickson: What we are finding here, as I have indicated in reviewing the history of the past 40 years, is this government again nailing its colours to the old Tory mast of Mr. Meighen and Mr. Bennett, and I am going to have something to say about its adherence to the spirit of GATT.

The minister says there is no increase in protection. He has also gone on to say that there is only one organ in the country that is responsible for some flurry in this connection. In Winnipeg in February he blamed this so-called bogey on the Winnipeg *Free Press*. Let us have a look at some recent thoughts of the minister himself with respect to these tariff changes. In 1959, when he introduced his budget, he said, as reported at page 2423 of *Hansard*:

> I have been giving thought to various representations that have been made to the government regarding a very important concept which runs through our Customs Tariff: the concept that the protection afforded to goods which are ruled by the Department of National Revenue or the courts to be of a "class or kind" made in Canada should receive greater protection than similar goods of a "class or kind" not made in Canada. This differentiation, based on "class or kind", is to be found in many individual tariff items and also in our anti-dumping and countervailing duties.
>
> Some of the representations have suggested legislation which would define or re-define the words "class or kind" in such a way as to enlarge the range of goods that are now deemed to be made in this country and thus given the greater protection. It is questionable, however, whether an overriding measure, involving a departure from present practices and present interpretations, is in the national interest.

Two years later however he is doing exactly that, and in 1959 he gave no hint that he had any conception that the "practices and interpretations" were in any way eroding the intent of parliament.

I noted this afternoon when the minister spoke that two out of three of the important cases he cited as indicative of the law prior to this erosion were decisions from the tariff board during the regime of the former Conservative government under R. B. Bennett. Perhaps there might later be some erosion with respect to the practices of the tariff board during the Bennett regime to which two out of three of these cases he cited relate, and I propose to deal with the third one on another occasion. This seems to differ very radically from the stand taken by the Minister of National Revenue in the debate on a previous stage of this debate. At that time the Minister of National Revenue did not suggest that we must find a remedy for erosion relating to the tariff board practices under Mr. R. B. Bennett. What the Minister of National Revenue had to say to us and presumably particularly to the members of the Conservative party who represent ridings that know it is not in their interests to fight tariffs, was: "Don't be alarmed; we are simply making sure that the type of tariff administration as practised under Mackenzie King is not going to remain eroded." I found this afternoon that two of the three cases were heard in the 1930's when the Bennett administration was in power.

The minister says no tariff increase is involved. I think it would be appropriate to show what some independent thinkers have to say. The minister and I had some discussion at the previous stage when he said, "Oh, you are just carrying on the harangue of the Winnipeg *Free Press*". I indicated at that time that I would be very pleased to quote at the appropriate time not the Winnipeg *Free Press* but its opposition in the city of Winnipeg, the Winnipeg *Tribune*, and I do so now. The exchange between the minister and myself took place on February 15, as reported at page 2086 of *Hansard*. The extract from the *Tribune* reads in part as follows:

> Class or kind—
>
> The proposed "class or kind" changes in the tariff are running into stiff opposition in the House of Commons—and so they should. The changes are objectionable on two main scores: first, they are clearly protectionist and designed to restrict trade; second, the amendments, if approved in their present form, would give the minister authority to make arbitrary decisions against which there could be no appeal.
>
> The proposed changes would virtually destroy the individual's right of appeal. The minister's decision on custom made goods—a term covering a large volume of imports—would be final. In practice this would mean that a customs officer would make rulings which could not be challenged in the courts or before an appeal board.

The Winnipeg *Tribune* went on to say that the federal government has taken some pride in the fact that in 1960 its exports have expanded. They point out that those exports expanded while the former law was prevailing, and the *Tribune* reminds the administration that trade is a two-way street, and it says that if Canada imposes restrictions, even hidden restrictions such as involved here, other countries will reply in kind and Canada will be the loser.

There are people other than the *Free Press* and hon. members of the opposition who sense in this legislation a very important hike in protectionism, and an unknown hike because it is to be operated in the office of the minister and in large part without appeal. The *Globe and Mail* of March 13, 1961 —and this newspaper is published in the

midst of the Ontario manufacturing industry —had this to say respecting this Customs Tariff amendment:

> This amendment would deprive importers of their right of appeal, in these cases, to either the courts or the tariff board. It is impossible to see any justification for this. The questions to be decided are matters of fact, whether, for example, Canadian industry can really produce a particular article in a reasonable period of time. Issues of this kind are properly settled not by a harassed cabinet minister—

Like the Minister of National Revenue (Mr. Nowlan).

Mr. Pearson: Is that part of the editorial?

Mr. Benidickson: No. I continue:

> —but by an impartial tribunal which has heard both sides. In the course of the debate on the amendment in the House of Commons earlier this month, opposition speakers also pointed out that it infringed parliament's control over taxation and trade. In effect it gives the Minister of National Revenue power to increase tariffs without the consent of parliament.

Other important journals have expressed a similar view, one of which is the *Financial Post*, and I may say that I am not speaking today from the point of view of my western background.

Mr. Broome: Western? How far west?

Mr. Benidickson: My present residence is reasonably west, being west of the lakehead, but I was born and raised on the prairies and I have a great affection for that part of Canada. The *Financial Post* had this to say in an editorial:

> The switch from administrative or departmental decisions, which can be appealed, to ministerial decisions, which cannot, opens the way to all sorts of undesirable developments. If, when ruling on such a customs case, the revenue minister accepted regularly, without question, the advice and decisions of his civil servants, we would get government by bureaucracy.

That is the kind of thing about which we used to hear when my hon. friends opposite were sitting on this side of the house. The editorial goes on to say:

> If one minister after another did throw in his two cents worth, we would very likely get inconsistencies and capriciousness in a very complicated, very sensitive area. Finally, ministerial decision which cannot be appealed makes possible government behind the public's back, changes in tariffs without changes in tariff legislation.

Long before the legislation was introduced a good journalistic friend of the present government who represents another eastern newspaper in the press gallery, the Montreal *Gazette*, a newspaper generally recognized for its Conservative adherence, had something to say about this matter. I refer to Arthur Blakely who, having read the speech from the throne, had this to say:

> Large sections of Canadian industry, which have been pressing the government hard this past year for additional tariff protection, are persuaded that these sentences in the throne speech were designed as an answer to their prayers.

The Montreal *Star* made this comment in an editorial on December 28, 1960:

> Much, of course, will depend on the way in which the new powers are used, but it seems fairly definite that the government has embarked on an openly protectionist course.

I say, Mr. Speaker, that not only does this legislation involve opportunities, such as we know were taken advantage of in the thirties by the Bennett administration, for the ministerial hiking of effective tariff rates to mountainous levels but these rates can be set in a cunning, clandestine and cabalistic manner. In addition, members of this ministry in their explanation throughout the country of what is involved in this legislation have brought about as usual a great confusion and conflict. I have quoted what the Minister of Finance said in Winnipeg. I find that the Minister of Agriculture (Mr. Hamilton) told his constituents that the activities of the government involved no increase in protection. He made the same assertion in that western area of Canada as did the Minister of Finance on February 10.

It is typical of the double-talk we get from the members of the ministry that at about the same time the Minister of Trade and Commerce (Mr. Hees) addressed the Canadian Manufacturers' Association and had this to say, as found in the *Globe and Mail* of February 8:

> Mr. Hees said yesterday that the class or kind legislation which is now before parliament would impose or raise tariffs on foreign goods closely similar to those made in Canada, and should thus increase domestic sales of the Canadian-made product.

The *Globe and Mail* made this comment in its editorial:

> This is simply another way of saying that foreign goods closely similar to those made in Canada are cheaper than those made in Canada.

I have been greatly disappointed at the silence of so many of my colleagues in the House of Commons who, I know, will not find that this legislation is in the interests of their constituencies. The Minister of Finance indicated that the major item here has to do with machinery. When he was asked whether it would not be wise to allow an appeal to the tariff board so that we could be sure that all the facts would be made fully known he said, "Oh, no, the administration is a relatively simple matter". He said that, after all, there were only eight or ten plants involved and that they could check on them through the Department of National

Revenue without much difficulty. I ask the members of the massive Conservative majority to have a look at this matter. Are they going to approve something that will be primarily for the benefit of eight or ten plants or are they going to have something to say with respect to their own constituencies?

I am not going to single out any western member unless I am asked to do so but I am going to quote from the Alberta *Wheat Pool Budget*. This is the kind of thing that supporters of the Conservative party are saying in the west when they return to their constituencies.

Mr. Argue: What date?

Mr. Benidickson: November 3, 1960. The article reads in part as follows:

> At a time when there is an increasing clamour for higher tariffs and greater protection for Canadian industry, it is encouraging to hear one of the western Conservative members of parliament speak out forcefully against higher tariffs. Last week in a newspaper interview ... is quoted as saying: "A major battle for higher tariffs on a wide variety of imports into Canada is shaping up"—

This was prior to the speech from the throne on November 17th of course.

> —which, if won by those promoting increases, may well put many western grain farmers out of business, cause more suffering in the already ailing Alberta coal industry and, above all, create even higher unemployment at a time when more Canadians are out of jobs than at any time since the second world war at this time of year.

I indicated I was disappointed that this silent and slavish group of back bench members should support this legislation which I submit will not be of any benefit to the vast number of constituencies which they represent and will in fact be harmful. I notice the hon. member for Vancouver South (Mr. Broome) smiling as I proceed with my remarks.

Mr. Thrasher: Just laughing.

Mr. Benidickson: He may be laughing at me but I am going to have a little laugh at him right now. I am going to suggest something to him and to all the other members of the Conservative party from British Columbia who have been silent on this matter. I say to them that it has been quite a spectacle to find that the Vancouver board of trade, the British Columbia Electric Company, the B.C. loggers' association, the truck loggers' association and a number of other producers' organizations of this kind have had to depend for advocacy so far as this matter is concerned on the C.C.F. member for Vancouver East (Mr. Winch) and the C.C.F. member for Burnaby-Coquitlam (Mr. Regier) who are the only ones from British Columbia who have spoken for them on this matter.

Perhaps the people who spoke like that western member have changed their views because they did not know what was likely to happen this session. Apparently the high protectionists, to whom that member referred, have won out and they decided to jettison the policy they had in mind and just continue to follow John. Even some hon. members who think this legislation might be of some benefit to their ridings are in for some striking disappointments. I do not know whether or not their own research is responsible for some of the misconceptions they have or whether these misconceptions result from the blandishments they have received from members of the ministry who say, "This is fine for you; this is going to do a job for your friends".

The hon. member for Lincoln (Mr. Smith) was one of the few who had anything to say in this debate, other than those who have official responsibility for the measure. You will recall that on February 27 he was filled with joy. The thought that the manufacturers of heavy chains, made in his riding, would receive some benefit from the measure. He referred to tire chains for tractors and to another manufacturing plant that is manufacturing automatic transmissions. This bill gave him some heart and some courage. I suppose his feelings have been echoed in the Conservative caucus, and those backbenchers with these hopes evidently outnumbered those who could see danger in this legislation.

Let us look at the situation in so far as heavy chains are concerned. I am informed that heavy chains would be interpreted as shelf goods in accordance with section 2 (a) (2) of the new legislation and therefore would have to be produced to the extent of 10 per cent of the normal Canadian consumption. I am informed that the bill we have before us will not help the manufacturers of tire chains for tractors because these chains enter duty free under item 409n as accessories for tractors. In so far as automatic transmissions are concerned, I am informed that under this legislation there is no help for industrial ridings such as Lincoln because the drawback duty is not payable on automatic transmissions. If the hon. member really wants some help in respect of the manufacturing of automatic transmissions, I am afraid he has to go to the government he supports and ask that government to cancel the legislation that it brought in by order in council on November 1, 1959. This legislation allows transmissions to enter Canada free. I think disillusionment

will be found in the Tory caucus if hon. members who have presented both points of view there will give this bill further study.

I said it was my intention to say something about the minister's continuous, loud declarations of his adherence to GATT, both in a technical sense and in spirit. We are all very familiar with these resounding declarations of rectitude that constantly flow from the Minister of Finance. Perhaps we should further examine this declaration. On December 20, as reported on page 1014 of *Hansard*, the minister did actually admit, in mild language, that retaliation against our exports was possible. He tried to persuade us that it was not probable. The minister is not one, in my opinion, who is given to understatement. He is generally prepared to attack a tack with a sledge-hammer. In his speech to the Canadian club at Toronto on January 9, 1961, I think perhaps the minister made, for him, the understatement of 1961. He said:

> While this action has aroused the interest of our associates in the GATT, we are confident that it is within its framework.

I suggest to you, Mr. Speaker, and to other members of this house that a great deal more than interest has been aroused by this legislation, especially in so far as our best customers, the United States and the United Kingdom, are concerned. I raised this subject by way of a formal question on the order paper on March 8, and again received a rather bland, evasive, innocent sounding statement from the minister, as reported on page 2774 of *Hansard* for that date. He said:

> —no contracting parties signatory to the general agreement on tariffs and trade... have intimated to Canadian government representatives in Canada or abroad that they will expect Canada to negotiate compensatory tariff adjustments or give trade concessions in the event that the Customs Tariff is amended in accordance with the terms outlined in a resolution therefor introduced by the Minister of Finance on December 20, 1960.

This is the brush-off. This is the indication not to look under the rug. The minister went on to say:

> There have been discussions, as I think I intimated on an earlier occasion, with both the United Kingdom and the United States governments concerning the significance of the proposed amendment. Some of these discussions actually date back to the time before the terms of the proposed amendment were made known.
>
> The United Kingdom government has intimated that it will be interested in the administration of the proposed amendment, and reserves whatever rights it may possess.

No indication is given in that statement as to the action the United States may take. As I pointed out at a previous stage of the debate, this legislation removes the right of appeal from the board to our courts which, as I read the GATT agreement, is mandatory. In fact, this measure removes in large part the type of appeal that had been operative for almost 15 years before GATT and about 13 years after GATT.

The Minister of Finance may think that these people are paying no attention to these administrative alterations in our Customs Tariff which relate to entries involving hundreds of millions of dollars. I am not so sure. I believe this government will get plucked to its pinfeathers as it proceeds with this matter in an age when more liberal trading seems to be the operation of the day for practically every other country with whom we do big business. During the debate in replying to the hon. member for Peterborough (Mr. Pitman) the minister suggested that activities such as are proposed here probably had a great appeal and a great advantage to labour.

In this connection, I should like to read briefly from what the Canadian Labour Congress had to say recently, on January 26, when they made their submission to the Senate manpower committee. I will summarize what they said. They said that if we advance too aggressively in matters such as these our friends, the United States, would retaliate in their trading relations and would knock the stuffing out of us.

Mr. Fleming (Eglinton): Is the hon. member quoting?

Mr. Benidickson: Yes. Does the minister want the page number?

Mr. Fleming (Eglinton): No, I should like the exact quotation.

Mr. Benidickson: I thought perhaps it would not be in order, but with the minister's consent, I will read it. This statement is reported on page 284 of the proceedings of the Senate committee on manpower and was made during the presentation of the Canadian Labour Congress respecting unemployment.

Mr. Fleming (Eglinton): I thought the hon. member was referring to the presentation made by the Canadian Labour Congress to the cabinet.

Mr. Benidickson: No, I am referring to their presentation with respect to the unemployment situation to the manpower committee of the Senate. They said:

> Everybody knows what would happen if we raised the tariff on American goods, which, of course, make up over two thirds of our imports: American retaliation could knock the stuffing out of a variety of Canadian industries.

Mr. Fleming (Eglinton): I think the hon. member will agree they are talking about something quite different there, namely raising the tariff.

Mr. Pickersgill: That is what you are doing.

Mr. Fleming (Eglinton): This is not raising the tariff.

Mr. Pickersgill: It is raising it from 7½ per cent to 22½ per cent.

Mr. Benidickson: There is a 15 per cent hike on a substantial portion, as I say, of hundreds of millions of dollars of potential trade particularly between our two big customers, namely the United States and the United Kingdom. As we found previously, it is rather an invidious position to be in in the opposition to find out whose ox is going to be gored in these tariff negotiations. We are obliged to enquire respecting public hearings down in Washington to find out there what GATT proposals Canada has made, and who Canada is selling out for the purpose of giving some benefit to the eight or ten particular industries which I have indicated seem to be at the very core of the advantages involved here.

This happened in 1958. Then the Minister of Finance would not make available to us any information as to what *quid pro quo* was likely to follow with respect to these partners of ours in GATT that would require compensation. I suggest that we are going to find retaliation here. If we do not find it directly, we are going to find that it is less easy for us in the immediate future to negotiate with these countries on further proposals that might be to our advantage in the matter of the liberalization of trade. The Minister of Finance seems to want to keep this retaliation skeleton in his closet, but it will come out. Unfortunately we will find who has paid for these concessions. We will find that only by going over to Washington where these things are discussed publicly or we shall have to have somebody who visits Geneva tell us, from the negotiations that are still carrying on there under GATT, what the sacrifices in Canada by exporters are likely to be.

Since we discussed some of these matters in the committee of ways and means, a delegation of the ministers of this government went down to Washington. I think my point is fairly conclusively established in this understanding assembly when I quote what the usual vigorously speaking Minister of Finance had to say as to the attitude of the United States while there. If he had completely sold the United States on the idea that this proposal was innocent in so far as our intercountry trade was concerned and in so far as it affected them, we know that he would be the first to make quite a noise about it. But instead of that—and as I say, contrary to his usual style—we find this, and again I quote from a reporter friendly to the minister namely a reporter of the Toronto *Globe and Mail* in Washington. He quotes the Minister of Finance as summing up after the conference as follows:

> The Canadian delegation has done all anybody could do to make it clear that redefining of "a class or kind made in Canada" was entirely a proper action for the Canadian government to take.

I think we can all judge what that really meant from the point of view of convincing that conference. I suggest that the real operation resulting from this legislation will be something that the ministry traditionally—or at least it is traditional with them—will tell us nothing about while this debate is on, but that the real battle will take place abroad in Geneva in ensuing days and weeks. There is not any wonder why this would not now take place there. We know that there were protests—and formal protests that time—in 1958 when the Customs Act was amended. Before any legislation was presented and simply on the knowledge that it was likely to be presented, the United States formally wrote our government and indicated their interest. There was no reply. After the legislation of 1958 was introduced they received no reply to a protest. Of course, the government's explanation was that this was correspondence between a junior in the United States embassy and a junior in the Department of External Affairs and that it got overlooked.

Mr. Pearson: Like Eldorado.

Mr. Benidickson: Yes, like Eldorado. It turns out that the Canadian junior happens to be of the status of one of our foreign ambassadors; and it happens that the United States junior who wrote the letter is still the senior man representing the United States in this country in commercial matters.

The Minister of National Revenue is one of those who went down to Washington at this time. I can understand why now there was no need for the United States government to write letters to the Canadian government that are likely to be pigeonholed. As the minister has said the United States people have been in contact with the government and its officials informally. They are simply putting in a caveat, as one might say. They know that the real negotiations in so far as any effect on them is concerned will, as I say, take place on foreign soil and until all is a *fait accompli* the members of this house will know very little about it. But the Minister of National Revenue was also down in Washington on this visit and I find him quoted as saying, "Oh, there is no discrimination here; this is not aimed at the United States". Of course, there is no discrimination here. It is not aimed at the United States; it is aimed at everybody. The idea is to shut out all trade

partners. But the people affected of course are our two major customers, namely the United Kingdom and the United States.

In addition to that, if he is quoted correctly in Washington on March 13, several weeks and months after the legislation was introduced, the Minister of National Revenue passed the buck to the opposition, as the government has often done. They say that this legislation does not amount to anything, that it is mainly a political football created by the opposition. At a previous stage of this debate I quoted from one if not two of the Canadian journalists stationed in Washington and I quoted from them at a time before the budget was introduced. I quoted from them with respect to the reaction that took place in Washington simply after reading the speech from the throne. The opposition had nothing whatever to do with that. But the headline that was provided in a Washington paper which I quoted previously under the byline of Mr. Tim Creary of the Southam newspapers was a Washington newspaper headline saying Washington was "terribly" upset by what was announced in the speech from the throne.

What the Minister of Finance is simply going to tell us here is that this is just a little matter; that this is not going to affect our trade relations very much; I want to say that this means a great deal more than what many people in the country and perhaps even in the House of Commons appreciate. It is not only the consumer interest that is affected. The interesting thing is that it perhaps affects most keenly the large and small manufacturers or at least it will harm and affect large and small manufacturers in Canada other than those eight or ten who actually make machinery in Canada, to whom I have made reference. Many of these manufacturers all struggling to export in world markets at competitive prices.

The Minister of Trade and Commerce goes out in the country and his standard speech to chambers of commerce is this. He wants to know why industry cannot compete in foreign markets as well as in our own. If these manufacturers are obliged to buy something in Canada that is of lower capacity, of inferior quality, and at a higher price than that at which their competitors in other parts of the world can buy, how do you expect them long to be able to compete with other producers in other parts of the world? What happens here as we all know, is this. Instead of being able to import from the United Kingdom or the United States the most up-to-date efficient machine that up to now has not been made in Canada but which the Minister of National Revenue in a back room is going to say henceforth could be made in Canada, what will happen is that the cost of that tariff capital levy for machinery will go up in the case of a British machine from free to 10 per cent and 22½ per cent in the case of a machine from the United States.

Many businessmen will come to the conclusion that it would be business suicide to add this tariff differential to their capital costs particularly if they must wait for lengthy periods before finding out what the tariff rate is going to be; when they have to wait for the Department of National Revenue to make these national calculations statistically. I suggest this is very undesirable legislation. Everybody who knows how the administrative machinery operates knows that this does not really mean what it says; it will not be the minister who deals with these matters. The minister is not going to be able to deal with one hundredth of the applications involved in decisions relating to whether or not an article is made in Canada. The potential manufacturers who are concerned about what it would cost them to set up a plant will find themselves at the mercy of some junior official who may be very biased and limited in his knowledge of what is going on in Canada. I say that if we are abolishing the tariff board and giving power to one minister just because we do not agree with the board's decisions it will be just as logical to say that we should abolish law appeals and allow the Minister of Justice (Mr. Fulton) himself to deal with these vital matters. I think that would be just as logical.

Somebody said that if the Russian ambassador were listening to this debate and reported to Khrushchev that such powers were being taken by the minister here in this democracy Khrushchev might die in a fit of laughter because we hypocritically talk about dictatorial action in some other countries.

I move, seconded by the hon. member for Welland (Mr. McMillan):

> That all the words after "that" be struck out and the following substituted therefor:
>
> "this bill be not now read a second time because of new provisions for arbitrary decisions which transfer the tariff making authority from parliament to the Minister of National Revenue, contrary to the principles of responsible government and the essential rights of parliament to tax".

Mr. Fleming (Eglinton): I wish to submit to you, Mr. Speaker, that this amendment is out of order. It purports to be an amendment to a motion for the second reading of a bill. As you well know, sir, the kind of amendment which is in order on a motion for second reading is very limited. According to my memory of the rule it requires an assertion of a contrary principle. In my submission this is not the kind of amendment which qualifies

within the narrow provisions laid down with regard to amendments to motions for second reading.

It is a clear principle of construction that an amendment cannot be introduced if it merely asserts a negative.

In the next place, it is an equally well established rule that it is not in order to bring forward an amendment simply in order to give a reason. It is in debate that we state the reasons why we take positions for or against certain motions. It seems to me that this amendment on the face of it purports to do nothing more than that. On that account it is clearly out of order. So I think that on three grounds this amendment does not qualify within the narrow rules which have been established governing amendments to motions for the second reading of bills.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I think I can greatly assist Your Honour by bringing to your attention an amendment moved by the Leader of the Opposition (Mr. Pearson) and seconded by the hon. member for Ottawa West (Mr. McIlraith) on September 2, 1958 which read:

> That all the words after "that" be struck out and the following be substituted therefor:
> "that this bill be not now read a second time because of new provisions for arbitrary valuations which transfer the tariff making authority from parliament to the minister and the cabinet contrary to the principles of responsible government and the essential right of parliament to tax."

The only difference in wording between that amendment and the amendment just moved by my hon. friend from Kenora-Rainy River is that the word "decisions" has been substituted for the word "valuations" after the word "arbitrary", and "and the cabinet" has been left out and "of national revenue" substituted. Precisely the same objections were advanced to that amendment by the Minister of Justice (Mr. Fulton), though not in precisely the same language, as have been advanced by the Minister of Finance (Mr. Fleming) to the present proposed amendment.

Mr. Speaker made a ruling on all the points which were raised by the Minister of Finance, which ruling is to be found at page 535 of the *Journals* for that session. I do not suppose Your Honour would wish me to read them, though I could if desired. The Speaker did rule that the amendment was completely in order and I suggest that as the present amendment is entirely on all fours with the amendment which the Speaker ruled to be in order at that time it is, of course, similarly in order. Incidentally, that earlier amendment was based on an amendment which had been moved by a very experienced parliamentarian, Mr. Stewart, and seconded by Mr. Ian Mackenzie in 1930, and it was not even challenged by the government of that day.

Mr. Erhart Regier (Burnaby-Coquitlam): Perhaps I may refer briefly to the arguments presented by the minister on the point of order. The hon. gentleman said he had put forward three reasons why the proposed amendment should be ruled out of order. I may have missed one of them, but I recognized only two. The hon. gentleman argued in the first place that the amendment should offer a contrary principle. I should like to call your attention, Mr. Speaker, to the fact that a motion has often been accepted in this house calling for a six months' hoist which, in effect, is the assertion of a contrary principle.

The minister gave as a further reason why this was not in order the fact that it contained in it a reason which, in his opinion, was subject to debate and therefore ought to be included in argumentation and ought not to be the subject of amendment.

I would like to refer Your Honour to a motion that is very fundamental, namely that a bill be now referred to a standing or special committee of this house in order that this or that particular feature of the bill might be more adequately explored before the house gives second reading. We often have motions that include the reasons for putting the motions before the house, and in the light of many similar motions on second reading, in regard to which we have all had experience in this house, I suggest that the other argument put forward by the minister is completely ridiculous. I hope that Your Honour will consider the reasoning put forward by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) and myself in this regard.

Mr. Deputy Speaker: This amendment ought to be considered in the light of citation 382 of Beauchesne's fourth edition which reads as follows:

> 382. It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill, or expressing opinions as to any circumstances connected with its introduction, or prosecution; or otherwise opposed to its progress; or seeking further information in relation to the bill by committees, commissioners, the production of papers or other evidence or the opinion of judges.

I would suggest that the proposed amendment is within these limitations being a declaration, or an opinion contrary to some provision of the bill and, therefore, I would accept the amendment.

Mr. Fleming (Eglinton): Mr. Speaker, may I just say a word or two before you close this matter?

I did not have before me when I was speaking earlier, the reference to the 1958

decision from which the hon. member for Bonavista-Twillingate (Mr. Pickersgill) read. May I draw your attention, however, to the fact that in that case the amendment did propose to assert a contrary principle, and there was a declaration of a contrary principle. At page 537 of the *Journals of the House of Commons of Canada* of September 2, 1958, we have a ruling of Mr. Speaker of that day.

Mr. Pickersgill: It was pages 534 and 535.

Mr. Fleming (Eglinton): The Speaker was also referring to a reference at page 538, where the same rule appears.

Mr. Speaker, at page 537 will be found a very good example of the assertions of a contrary principle and declaratory statement. In that situation the amendment to Bill No. C-51, moved by the hon. member for Richelieu-Vercheres (Mr. Cardin) seconded by the hon. member for Levis (Mr. Bourget) read as follows:

"this house reaffirms the adherence of Canada to the spirit and objectives of GATT, which are clearly violated in provisions of this bill."

The mover put this on record as asserting a contrary principle. In my respectful submission, this present amendment does not invite the house to assert a principle. The amendment reads in part as follows:

this bill be not now read a second time because of new provisions for arbitrary decisions—

There is not even a complete sentence here in what follows, and certainly no declaration of principle. This simply purports to state a reason why the bill should not now be read a second time because of certain provisions. With all respect, Mr. Speaker, this is not an assertion of principle and does not contain a declaration such as is found at page 537 of the *Journals of the House of Commons of Canada* of September 2, 1958. The house is not called upon to go on record as affirming a principle that is contrary to the principle of the bill. This amendment simply asks the house to subscribe to a reason, and the reason does not even contain a statement. The words "because of" simply refer to certain provisions. With great respect, Mr. Speaker, I urge upon you that this is not the kind of provision that is contemplated in the rule respecting the assertion of contrary principles by a declaration.

At page 538 of the same volume in relation to the rules governing amendments to motions for second reading we have this principle stated:

(1) It may be declaratory of some principle adverse to, or differing from the principles, policy, or provisions of the bill.

I suggest with great respect that the amendment must be a declaration of a principle and not merely a reference to a purported reason.

Mr. Pickersgill: Mr. Speaker, since you have permitted the minister to intervene in the course of your ruling I assume I may reply to what he has said. May I point out to Your Honour—I think this is all the reply I need make—that in the case of the amendment moved by the Leader of the Opposition (Mr. Pearson) it was exactly analogous and almost identical in wording to this one and Mr. Speaker ruled that amendment in order. In the case of the amendment moved by the hon. member for Richelieu-Vercheres (Mr. Cardin), which the Minister of Finance seeks to suggest would be in order, His Honour ruled it out of order. I suggest the minister has not helped his case very much by this second intervention. I assume, sir, that you will be impressed by the ruling made by His Honour, the Speaker, regarding the amendment moved by the Leader of the Opposition which was, as I say, almost literatim and verbatim the same as the amendment moved by my friend the hon. member for Kenora-Rainy River (Mr. Benidickson).

Mr. Deputy Speaker: It appears to me that the Minister of Finance (Mr. Fleming) has expressed an objection which goes rather to the form of the amendment than to the substance. If I interpret correctly citation 382 of Beauchesne it would seem to me that this amendment is an opinion expressed in opposition to the bill which has been introduced and that the question of form would not matter. The amendment reads in part as follows:

—because of new provisions for arbitrary decisions which transfer the tariff making authority from parliament to the Minister of National Revenue—

It is my opinion that these words express an opinion contrary to a part of the bill and I see, therefore, no reason to refuse the amendment. I declare it in order.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, the provisions of this bill were first announced in a statement of the Minister of Finance (Mr. Fleming) in introducing the baby budget on December 20. Since that time this legislation, or the resolution preceding it, has been discussed on a number of occasions, particularly on March 2 when the bill was given first reading. There has been a long delay between first and second readings because the government did not bring it forward. Nevertheless, the fact that almost four months have elapsed since the minister declared to the house and the country that this legislation was to be brought before parliament, and the temper of the debate that has taken place since, indicate to me that this legislation is not only unpopular and unwarranted in the opinion of the opposition

parties, but indicate, I would suggest, that the government has been rather timid in proceeding with it, and has taken, in a consistent manner, every excuse to duck bringing it forward to have it approved or dealt with long before now.

The motion that has been presented by the hon. member for Kenora-Rainy River (Mr. Benidickson) is that the bill be not now read a second time because of new provisions for arbitrary decision which transfer the tariff making authority from parliament to the Minister of National Revenue (Mr. Nowlan) contrary to the principles of responsible government and the essential rights of parliament to tax.

We in this group agree wholeheartedly with the amendment. In years gone by the present Minister of Finance and the Prime Minister have been very important champions of the rights of parliament. It is strange that, after a few short years in office, they should move in such a wholesale manner to deny the rights of parliament, to deny the jurisdiction of the courts and to place in the hands of the minister widespread, arbitrary powers of tariff making which, as the amendment points out, in fact are the right to tax. This comes from hon. gentlemen who have been so loud in proclaiming their championing of the rights of parliament.

I suggest that this legislation is bad; it is repugnant to the democratic system. It is legislation that is very much out of step with the times. I noticed that the minister took a long time this afternoon to introduce the legislation in his endeavour to defend it. On other occasions he made very short statements. He brushed off opposition criticism rather lightly. But today he took a long time in an effort to try to defend and to make a case for this legislation. In making his statement I noticed that the Minister of Finance did not follow his usual practice. This afternoon the minister seemed very unsure of himself. He was not the bombastic minister that he usually is, claiming that all right is on his side. He was rather timid, cautious and mild-mannered. I suggest this is some indication that the government itself knows that this legislation is unpopular; that it is, in fact, meeting with very widespread disapproval in the country.

This legislation provides for a change in the definition of goods of a "class or kind". It provides for a change in the definition by saying:

> In the case of goods other than goods custom made to specifications, goods of approximately the same class or kind are made or produced in Canada.

As the minister has so well pointed out, by changing this definition the government will broaden the whole range and the whole class of goods to which the higher tariff of 22½ per cent instead of 7½ per cent will apply.

The minister has made his case on what he really says are misjudgments of the tariff board. He has said that for the past 10 years the tariff board has been incompetent. He has criticized it very widely. He has said that the tariff board today finds itself in a nightmare. I would suggest that the minister has heaped a great deal of criticism on the board and this is a method of rectifying the situation which he claims exists. He is transferring the jurisdiction from the tariff board to the minister. We had understood that the tariff board was to be made more efficient so that it could handle appeals; that the tariff board was to be set up under a two-panel system instead of a one-panel system. It would seem to me that the government is arguing both sides of the case. It is saying it wants to streamline the tariff board procedures, and yet it is taking much of the power and jurisdiction away from the board.

I would suggest that the legislation introduced today is wrong on other counts. It is far reaching in that it gives to the Minister of National Revenue the right to decide on statistics about normal Canadian consumption, and therefore the amount of the 10 per cent, and by this means it removes a large part of the jurisdiction that has heretofore been in the hands of the tariff board.

The minister is also given the power to decide whether goods are custom made to specifications and whether adequate facilities exist in Canada. One wonders how the minister is going to have all this information when the courts, according to the Minister of Finance, are ill equipped and unable to obtain this information. The minister is going to decide whether adequate facilities exist for the economic production of such goods within a reasonable period of time. This is very indefinite phraseology; it is not precise. Large, sweeping, arbitrary powers are placed in the hands of the Minister of National Revenue.

We think that the House of Commons should reject this legislation. We have opposed it on every occasion, at every stage. We intend to continue that opposition. We intend to move amendments at the various stages and procedures of this bill, which will demonstrate again and again our complete opposition to what is being done by this legislation.

This legislation is wrong on every count. It is protectionist legislation; it is arbitrary legislation; it takes powers away from the tariff board; it takes appeals away from the courts. It places in the hands of a minister the right to tax, the right to decide tariffs, the right to decide the 10 per cent quantity.

It takes away from parliament jurisdiction that has been parliament's for a great many years.

In recent years we have been in some difficulty with respect to our balance of payments. Our export-import situation has been rather difficult, but there is at least some evidence that it is improving. I hold in my hand the dominion bureau of statistics daily bulletin which sets forth our experience in 1960 in the trading field. It has this to say:

Canada's trade with other countries reached a new peak in 1960, being valued at $10,891,100,000, according to preliminary figures released today by D.B.S. This was an increase of 2.3 per cent over the 1959 value of $10,649,200,000. Total exports in 1960 were valued at $5,395,300,000, a rise of 5 per cent over the previous record attained in the preceding year, while imports at $5,495,800,000 were fractionally less than in 1959. The import balance, estimated at $100,500,000, was reduced to slightly more than a quarter of last year's total and was the lowest since 1954.

According to these figures, our trade position is improving. According to the statistics, our exports have been going up by a substantial amount over our increase in imports. Does the government feel that this desirable trend should not be continued? This legislation is opposed to this kind of trend. It is likely to reverse or will tend to reverse this kind of improvement in Canada's trade position.

The minister talks about helping industry. I suggest that to provide a general increase in tariffs will not help Canadian industry. It will merely increase the costs of Canadian industries, make it more difficult for them to compete and result in higher and higher unemployment, a higher rate of unemployment than would exist if this legislation were not passed.

When Prime Minister Macmillan was in Canada recently the Prime Minister (Mr. Diefenbaker) discussed with him the attitude of the British government toward a common market. It is clear that the United Kingdom is going into the common market. It is clear that this is a great threat to Canada's export industries. The Prime Minister said he has a clear impression that the United Kingdom will not upset the trading preferences and arrangements that Canada has enjoyed with the United Kingdom in the past. That is hardly a commitment; it is hardly a firm assurance.

I wonder what the attitude of the United Kingdom is with regard to the policy of the Canadian government which we are now considering. At a time when we need good will in the United Kingdom, when we need to protect our markets in that country, this kind of legislation is a challenge to the United Kingdom to discriminate against Canada, to retaliate by equally discriminatory measures in view of the fact that we are undertaking this kind of ill-conceived, high tariff program.

The hon. member for Kenora-Rainy River quoted a number of newspapers, organizations and other authorities that are opposed to higher tariffs.

Mr. Deputy Speaker: Order. May I indicate to the hon. member my concern about the line of his remarks now because the question is on the amendment and the only subject of the amendment is the provision to transfer authority to the minister from the tariff board. Of course, all problems raised by the bill may be discussed but the hon. member will realize that he will have the opportunity to speak again when the amendment is disposed of. Therefore, for the sake of orderly debate I think it would be the wish of the house and I think it would be preferable that the discussion at this time be limited to the subject matter of the amendment.

Mr. Argue: Mr. Speaker, I do not mind advice and I appreciate the tenor of your remarks. I was not intending to speak at any great length even if you had not risen, but I do want to say that during all the time I have been a member of the house the practice has been that an amendment on second reading does not result in confining the debate following the amendment to the terms of the amendment but rather on second reading a wide, general discussion of the bill is in order whether or not there is an amendment.

I think I have been very much in order although I can appreciate the desire of Your Honour and perhaps of members of the house to confine the discussion at this stage solely to the substance of the amendment. However, I do want to state that in my judgment a wide ranging debate is very much in order on second reading even when an amendment has been moved.

Mr. Nowlan: On the point of order, Mr. Speaker, I must say that my impression and recollection of the rulings made by the hon. gentlemen who have held the office of Speaker in the past are not in accordance with the theory just put forward by the hon. member for Assiniboia. If he has the right to do as he suggests, we will have two wide ranging debates on the whole subject. Having in mind the purport of the amendment as I recall it, I believe that the rule is as stated by Your Honour a few moments ago, that once an amendment is moved speakers who follow are, generally speaking, confined to the wording and context of the amendment. In the past Mr. Speaker has, of course, allowed reasonable leeway but certainly there

cannot be two wide ranging debates on two separate motions before the house.

Mr. Argue: Mr. Speaker, I do not think we will gain anything by the minister persisting with this so-called point of order because he is completely wrong. Not only can there be two wide ranging debates but there may be as many as four or five. I can remember that when a certain famous bill was before the house the official opposition of the day used the technique of moving a motion that the question be now put in order that another round of speakers might join in a general debate. Over the years there has been no inclination by Speakers of the House of Commons to try to confine debates to the precise wording and scope of an amendment before the house.

Mr. Deputy Speaker: May I add this for the benefit of the hon. member. It may be true that sometimes a general debate takes place when an amendment is being considered but that depends on the nature of the amendment itself. Some amendments may provide for the discussion of the whole subject matter of the bill but when the amendment is on a precise point, as in the present instance, I think the discussion on the amendment should be limited to its subject matter, namely, the transfer of the making of decisions from the tariff board to the Minister of National Revenue. That is the subject matter of the amendment. The hon. member may be right as to the scope of the debate in other cases but in the present case I think the debate has to be limited if the rules are to be applied.

Mr. Argue: Mr. Speaker, I submit again that it is in order to have a wide ranging debate even on an amendment such as the one now before the house. I state again that it is not my intention to make a long speech at this time. Apart altogether from your intervention, I had almost concluded my remarks and only have one or two more thoughts to leave with the house.

I was saying that this legislation is unpopular, that it provides for the giving of arbitrary powers to the minister and that it is not in keeping with the history of the Conservative party when they were in opposition. This legislation, which provides for this arbitrary transfer of powers, demonstrates that the Prime Minister has forgotten all about his campaign to protect the rights of parliament. It demonstrates that so far as this legislation is concerned the Prime Minister has abdicated his own responsibility and has surrendered it to the Minister of Finance. The Minister of Finance, the arch-Tory of the Tory party, has brought forward this legislation as a pay-off to the financial interests that the minister is seeking to assist by means of this legislation.

Mr. Lambert: That is nonsensical.

Mr. Argue: The Prime Minister's attitude in the past has been to protect the rights of parliament. I have never known him to advocate higher tariffs in the past but apparently he has handed over his jurisdiction in this matter to the Minister of Finance who is now proceeding by this means to bring about a general increase in tariffs without any support that I know of from any major organizations in the country. Organized labour is not supporting a high tariff policy. Organized agriculture is not supporting a high tariff policy. No party in this house with the exception of the Tory party, is in favour of this kind of repugnant high tariff legislation.

Mr. Lambert: That is your word for it.

Mr. Argue: I suggest the government is out of step with the kind of trade procedures that are now being followed in the world, and out of step with public opinion in Canada.

Hon. J. W. Pickersgill (Bonavista-Twillingate): If no one has anything to say at this time, I should like to say that it seems most extraordinary to me that, in the face of an amendment of this character when there are 200 representatives in this house who are now supporting the government and the number is dwindling all the time and is likely to continue to decline as rapidly as circumstances permit, we find this sort of Quaker meeting with no one on the government side able to make any observations about this far-reaching amendment.

Mr. Lambert: Maybe the amendment is not worth it.

Mr. Pickersgill: The hon. gentleman says the amendment is not worth it. The hon. gentleman would not have said that if he had been sitting over here supporting his leader when his leader was over here. At that time there was no more ardent verbal champion of the rights of parliament than the right hon. gentleman. There has been the most extraordinary and complete metamorphosis since the right hon. gentleman crossed to the other side of the house. Nothing could better illustrate that metamorphosis than the legislation which is now before us, and particularly that feature of the legislation about which the hon. member for Kenora-Rainly River (Mr. Benidickson) has invited us to express an opinion in this amendment that is now before the house.

The amendment indicates that this legislation is unacceptable and should not be proceeded with because it makes new provisions for arbitrary decisions which transfer the tariff making authority from parliament to the Minister of National Revenue. I underline the word "new" because three years ago, over our objections, other similar provisions were made. Then the amendment goes on to point out that this is contrary to the principles of responsible government and the essential rights of parliament to tax. These principles were always respected by Liberal governments. The very basis of our constitution is that taxes should be imposed not by one of the 265 representatives of the people but by all of them or by a majority of them after due deliberation and debate.

What this government is seeking to do by this legislation is to permit one minister, not even the governor in council, to divide all the categories of goods that are made in Canada or conceivably might be made in Canada, and the conception need only be in the mind of the Minister of National Revenue (Mr. Nowlan). It does not need to be in anyone else's mind. He never has to explain to anyone, no matter how arbitrary, no matter how unjust the decision. As the hon. member for Kenora-Rainy River has pointed out one of his minions could make the decision without even the minister knowing about it. He decides that something or other is custom made to specifications.

Mr. Nowlan: We do not have minions in the department under this minister.

Mr. Pickersgill: The minister knows they are exactly the same people in the department, except for a few new recruits, as they were before. No one in this house has more respect for the civil servants than I have. The civil servants are there to do a certain job. The ministers are there to do another job, and parliament is here to do another job. Parliament never intended that a grade 4 clerk should decide what the Customs Tariff of this country should be or what duties people should pay. This, in fact, is what is going to happen under this legislation.

Mr. Nowlan: Sheer nonsense.

Mr. Pickersgill: The description of that statement as sheer nonsense does not make it nonsense. It merely indicates that the minister believes it is more effective to make an exclamation like that than to attempt to refute the argument.

This afternoon the Minister of Finance (Mr. Fleming) used an argument that is always used by good tyrants when he said it would be more efficient for the Minister of National Revenue to make certain of these decisions than for the tariff board to make them. It does not matter whether it is fair; it does not matter whether it is just; it does not matter whether this is an arbitrary tax imposed upon the people, it is more efficient. The other argument is that it could be done confidentially. In other words, the minister decides in secret on the basis of secret information whether the tax shall be low or high or no tax at all. This is precisely what we are doing over the whole range of goods that may or may not be made in Canada. We are going to let the minister decide and the minister will have the final decision in every case.

It is true that, on a certain limited range of facts, an appeal will be permitted if the minister decides the goods are shelf goods. All the minister needs to do is decide they are custom made, and that finishes it. The fact of the matter is that the minister is being given the very widest possible powers, powers that cannot be challenged anywhere except in the House of Commons. Then, of course, we will be told it is not in the public interest to produce this information. If the information is so secret that the tariff board cannot be trusted to receive it, I can imagine how likely this government is to give it to members of the House of Commons.

The plain fact is that even supposing the government does want to change the definition of class or kind—there are a lot of objections to that but I do not propose to go into them because it seems to me that, Mr. Speaker, would be transgressing your ruling which I respect—because they are not satisfied that the courts have properly interpreted the law, some other course should have been followed. This all-wise Minister of Finance knows better than the courts. He knows better than the Speaker what the rules of the house should be. He alone has the key to the mind of the late Mr. Fielding. He has told us what Mr. Fielding meant when this legislation was enacted in 1907.

Mr. Lambert: Would the hon. gentleman permit a question?

Mr. Pickersgill: Oh, certainly.

Mr. Lambert: Would he inform the house as to whether or not he holds opinions about legislation and expresses them in this house?

Mr. Pickersgill: Oh, yes, I certainly do hold opinions. However, I have never, in this house, described the decisions of the Supreme Court of Canada as an erosion of the law. Perhaps that is because I am not an eminent barrister like the Minister of Finance. It does seem to me that is an odd way of describing the decisions of the Supreme Court of Canada. That has been done over and over again and was done again today by the minister.

The hon. gentleman knows so much more about it. How does he propose to get around it? I grant that parliament has a perfect right to change the law if we do not like the interpretation of the law by the Supreme Court of Canada. We are the legislators, but we are the legislators and not the Minister of Finance or the Minister of National Revenue sitting alone in his closet. That is the whole point. If this government were honest and straightforward—I do not mean honest in money matters, but I mean honest and straightforward in putting forward its legislation—

Mr. Argue: When you get the budget, you will talk about honesty in money matters.

Mr. Pickersgill: The fact that it is bungling and cannot tell the difference between a deficit and surplus does not surprise me. We had an indication of that when hon. members of the government talked about the way in which this country was being overtaxed at a time when the debt was being paid off instead of being accumulated. We are aware of the fact that the minister does not understand these things. We know that very well. We realize that this country is burdened with the most incompetent Minister of Finance it has had within living memory.

Mr. Nowlan: That statement is even more crazy than the other one.

Mr. Aiken: I rise on a point of order. The hon. member for Bonavista-Twillingate has allowed himself to be diverted from the subject under discussion by the hon. member for Assiniboia. I think he has now gone completely beyond the subject under discussion.

Mr. Pickersgill: I am always grateful to the hon. member for Parry Sound-Muskoka (Mr. Aiken) who has helped me out more than once in the house. I am particularly grateful for the last time he did so. I will therefore come back to the point I was making and it was this. On March 31, 1958, the people of Canada did not decide that one or two ministers of the crown should be given the tariff making power. They decided to let the right hon. gentleman who is now the head of his government and his friends carry on the government of Canada; but they did so in large part, in my opinion, because they were told that this was a government that was going to restore the rights of parliament.

I personally confess that I was never impressed with the suggestion that parliament had ever lost any of its rights prior to that time, but I certainly know it has lost some of them since then. It certainly did so in that very summer of 1958. In that very summer of 1958 the first thing they did was to do what they are trying to make a more thorough job of now, that is to say, to take away from this parliament the tariff making power and to put it in the hands of one single minister who will not be answerable in that regard even to the cabinet, whose decisions may not even be known,—

Mr. Benidickson: There is no obligation to publish.

Mr. Pickersgill: —and who will be able to make one kind of decision in the case of one applicant and, when there is in fact a similar set of facts, make another kind of decision in the case of another applicant, with no power whatsoever on anyone's part to do anything.

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

Mr. Pickersgill: Yes.

Mr. Broome: Is the hon. member suggesting that such power should be given to the minister only if he has the advantage of a glass ball in order to communicate with the late Mr. Fielding?

Mr. Pickersgill: I think the hon. member for Vancouver South (Mr. Broome) should get the hon. member for Parry Sound to answer that question privately because it is quite clearly out of order and is utterly irrelevant to the matter before us. However, I will say in general terms that, no matter who the minister is, I do not think any minister should be given powers of the character of those which it is proposed to give in this legislation. That is the whole point. I do not think any minister should be given the powers that properly belong to parliament in this matter. That is my point.

If the government wants to come forward in a straightforward way and to change the definition and to allow the law to stand in other respects as it is, that would be one thing. We would probably object to their kind of definition. We certainly would object even to the kind of definition there is proposed today. But it is quite another thing to say that one minister shall be able to decide in one case that the duty will be 22½ per cent and in another case to decide it will be 7½ per cent without any kind of review of the facts of the case whatsoever by anybody or any possibility of any such review. I say that is taking away from parliament the power to determine in an effective manner.

It is true that a broad argument can be made, as it has often been made in other jurisdictions, that you can endow the government with all the powers that parliament has. That is what was done with many of our powers in the War Measures Act in 1914

but only for the period of war. Surely, however, it is not the kind of power that hon. gentlemen opposite think they are entitled to ask for at the present time. If they do so, I could quote many eloquent statements from the Prime Minister (Mr. Diefenbaker), the Minister of Finance (Mr. Fleming) and other occupants of the treasury benches on this precise point.

There is no getting around the fact that once opinions instead of facts are to determine what the tariff shall be, once an opinion as to whether there are adequate facilities in Canada to make certain custom made goods and whether they can be economically produced—and these can only be opinions; they cannot possibly be anything else but opinions —there is no safeguard as to the essential point: Are these goods really going to be made in Canda? What is "made in Canada" going to mean? Is it going to mean that all the components will be made in the United States or somewhere else and then there will be final assembly here in Canada and that unless it is done in that way the duty will be 22½ per cent, but if it is done in that way, it will be only 7½ per cent? Is that what is intended? I think it is evident that what we are doing or are being asked to do is to give up our rights as members of parliament. May I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Pickersgill: When we rose at six o'clock I was referring to the fact that one of the principal effects of this bill is to take away from parliament in any effective sense the right to make the tariff, the right to determine the duty which will be paid by a taxpayer with respect to a whole range of goods, while the government arrogates to itself the right to determine in a completely arbitrary fashion whether a particular article is custom made or shelf goods.

Mr. Bell (Carleton): Was not the former done in 1904, and does the hon. gentleman object to that?

Mr. Pickersgill: By "the former" I presume the hon. gentleman means that a decision was made by parliament in 1904 that if something was made in Canada—which is, of course, a matter of fact, not a matter of opinion—the duty would be a certain amount, while if something was not made in Canada the duty would be a different amount. That is something which is done by parliament. It is true the determination of whether or not something was made or not made in Canada was arrived at by the administration. In the relatively simple industrial conditions of 1907 I do not think those determinations of fact would have required, in many cases, any very expert knowledge. If there is any defence for this bill at all it surely is that the whole distinction between shelf goods and custom made goods is something which no one would have thought of making in 1907. I do assert that if we are to say that in the case of the shelf goods they must actually be made in Canada but that in the case of custom made goods there must merely be a capacity for them to be made in Canada, then at least those questions should be determined publicly and in the open. Parliament should make definitions with regard to them, and then decisions should be reached publicly and in the open instead of secretly and in the minister's office without the right of appeal and in an utterly arbitrary manner.

That is the point which hon. members opposite are either utterly incapable of comprehending or, as I suspect, utterly unwilling to comprehend. The fact is that if the questions of whether goods are custom made or shelf goods is decided before a public tribunal where argument can be heard we could all see whether or not the will of parliament was being carried out. When those decisions are reached in secret, who is to decide? There is no reason why the minister should not say that the most ordinary thing made on an assembly line is a custom made article. That would not be an honest thing to do, but it would be within the power of the minister to do it. I contend that if we are going to make this distinction between custom made and shelf goods, then when a determination is made there should be proper publication of it and of all the reasons for it; there should be a determination before a tribunal and not in secret and in an arbitrary way by the minister.

Mr. Bell (Carleton): Does the hon. gentleman agree with the distinction in the first instance?

Mr. Pickersgill: That is totally irrelevant to the amendment and to my argument. When I come to speak on the second reading I shall deal with that question. However, I am endeavouring at the present time to confine myself strictly to the amendment—

Mr. Bell (Carleton): The hon. member seeks to avoid answering the question.

Mr. Pickersgill: The hon. gentleman can go on muttering, but I suggest he listen. There are three ways in which I suggest the rights of parliament are being taken away. In the

first place the arbitrary and secret power to decide whether or not an article is custom made destroys any effective control by parliament over the tariff. In the second place, the arbitrary power to decide whether adequate facilities exist destroys any effective control by parliament or, indeed, anyone else except the minister himself, and, third, the question of what is a reasonable period of time, which is also left to the arbitrary opinion of the minister or one of his officials, also, I suggest, involves an encroachment on the rights of parliament.

Many hon. members will have read in the local newspapers the brief accounts of the budget speech made today by the chancellor of the exchequer in the United Kingdom. They will have seen that the chancellor has asked that he be given the power to raise or lower certain duties there by not more than 10 per cent to meet certain economic problems which may arise in the course of the next year, and that he has also asked to have that power limited strictly to a term ending on August 31, 1962 unless at a subsequent session of parliament it should be renewed. This is precisely the difference between what is and what is not disruptive of parliamentary control. Here, the government of the United Kingdom is seeking, as all governments must at times, certain limited powers to act quickly. But those powers are carefully and clearly defined and a time limit is placed upon them. It will not be beyond the recollection of many hon. gentlemen sitting on the treasury benches how much importance they attached not so many years ago to the matter of a time limit in connection with powers given to the governor in council. I contend that clause 3 of this bill justifies my saying that the power of parliament effectively to determine the tariff is being taken away from parliament.

I said I would deal with one argument which has been advanced from the government benches and I think there is no better way of dealing with the argument raised by the Minister of Finance than to repeat a quotation given a few days ago in this house by my hon. friend from Kenora-Rainy River. If you think, Mr. Speaker, that I am quoting from another debate, then I am, sir, but what I am quoting is from a debate which took place in another session. I am quoting what the Prime Minister said when he was on this side of the house in 1950 and the words could not be more apt than they are:

> The attitude that an opposition is something to put up with on occasion is prevalent in some quarters ... If the cabinet is to be trusted—

And we are being asked here to trust, not the cabinet, but one minister only—

[Mr. Pickersgill.]

> —and if we are to accept at face value what ministers say, we had better all be absent from this house.

That is really what we are talking about. We are saying that if the taxing power, the determination of the rights of taxation, and the mode of taxation are to be taken away from this house and vested in one minister of the crown without appeal and without publicity, in secret, then indeed we had better not be here.

Mr. Bell (Carleton): That was done by Laurier and Fielding.

An hon. Member: Get up and tell us about it.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I must say a few words on this amendment before the vote is put. It is a very strange amendment coming from the hon. member for Bonavista-Twillingate (Mr. Pickersgill) who was a member of a government which, time after time, brought in the type of legislation about which he is now complaining. I do not know what particular passage he was quoting from a few minutes ago in using the words of the Right Hon. Prime Minister (Mr. Diefenbaker) but undoubtedly it was something very similar to the proposal now before us.

I have to admit that the words of subclause 3 of clause 2(a) have troubled me since I first read them, because undue delegation of authority to the executive and the removal of the right of appeal are two principles to which I am opposed. Under the previous government they were used constantly until they almost became commonplace. So far as I know this is the first piece of legislation that this government has introduced in nearly four years in office which contains a provision of this type, in which the minister's decision is final. I feel, therefore, that we have to look at this clause very carefully before passing judgment on it.

Quite a number of matters in this bill will require interpretation. I would like to list them as they appear to me and then examine which of these provisions will require the interpretation of the minister and which of them will require the interpretation of the courts. The first provision that will have to be decided is, what are goods other than goods custom made? The second matter is, how shall the word "approximately" be applied to a given situation? The third is, what is the definition of the words "class or kind"? The fourth is, what is the definition of the words "made or produced in Canada"? The fifth matter is, do adequate facilities exist in Canada for the economic

production of such goods, within a reasonable period of time? The sixth matter involves the interpretation of subclause 2 of the legislation. The seventh matter is, what is the normal Canadian consumption, and the final matter involves an interpretation of subsection 9 of section 6 of the act, as amended by this bill.

I have set forth eight matters in which, it seems to me, a decision must be arrived at for the administration of the bill. Of these eight matters, three are commended to the decision of the minister, and five are left to the courts' interpretation. I realize that we cannot make a decision in respect of the balance of probabilities or because of majority alone. I do want to point out that this is not a case where the act is passed and committed thereupon immediately to the sole discretion of the minister. In certain matters his discretion is final, but in the majority of matters that is not so.

Furthermore, this is an isolated piece of legislation designed to meet a particular need and does not indicate, in my belief, any trend. The minister has carefully and adequately explained the special circumstances under which the three items are committed to the sole decision of the Minister of National Revenue. I accept that explanation and feel that in this particular instance it is sufficient. I must say, however, that if such a trend were to appear in the legislation introduced by this government, or any government, it would cause one to be concerned and, if such legislation became commonplace, I would have to take a much stronger stand. However, I am not going to stand out in the lobby when the vote is taken on this amendment. I am going to vote against it because I do not feel that a sufficient case has been made out against the legislation introduced by the minister.

Hon. members opposite may say I am in an anomalous position in that I am speaking generalities in one case and specifics in another. I would like to point out to them that this is the very situation they are in. They have been talking today in grandiose terms against protective tariffs in generalities. They say they are against protective tariffs and against this type of legislation in general terms but when we come to specific items such as automobiles, textiles, fruit and vegetables and plywood, time and again hon. members in the opposition have risen to ask what the government intends to do to protect these industries. When the government makes some announcement of a policy to assist these various industries, and there have been several such announcements, opposition members are particularly in accord.

I mentioned particularly the fruit and vegetable industry, and I would suggest that if it were not for certain protection given to the fruit farmers they would in certain parts of British Columbia and Ontario have had a very difficult year. As a matter of fact I understand they have had a reasonably good year.

I point out these matters because, as a matter of interest, it is easy for an individual to say in general that he is against something but when dealing with specifics the same individuals are for them. I think the opposition members must also take note of the position and stand they have taken regarding this bill. They state that they are against protecting Canadian producers and manufacturers but when specific items come before us, they say they are for them, in spite of being against them in general.

I have outlined the position as I see it and I suggest that all hon. members of this house must be honest with themselves when speaking on this particular bill.

(Translation):

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, this bill is designed to amend sections 2 to 6 of the Customs Tariff with regard to goods of a class or kind made in Canada.

If we look closely at it we note that it is unquestionably a bill that will lead directly to protectionist measures.

I refer the house in particular to subsection (3) of section 2A. It is clearly stated there that the minister's decision will be final.

Therefore, I suggest that the purpose of this bill is to abolish the essential rights of parliament, as well as the powers of the tariff board, and to confer absolute and arbitrary power upon the Minister of National Revenue (Mr. Nowlan).

I read the statement made by the Minister of Finance (Mr. Fleming) at the resolution stage. This is what he said then:

> This measure will ensure a greater discretion to the Minister of National Revenue with regard to decisions to be made under section 3.

It is not a matter of greater discretion but of an absolute and irrevocable power. It is nothing less than a reactionary right.

In other words, taxpayers are being deprived of a right recognized by British law and by tradition.

Regarding the dangers of using this discretionary power, I wish to read a few sentences from a book entitled:

(Text):

"Senate special committee on taxation, 1945." I am referring to a brief presented by the

income tax payers' association to the Senate committee in 1945. This brief was read by Professor McDougall, associate professor of commerce, Queen's University. Here is what the brief had to say concerning this precise problem of ministerial discretion, at page 297:

> May we recall in this connection the famous saying of the Middlesex rebels, "Where discretion begins, law, liberty and safety end."

In this brief the question is asked, "How is discretion exercised?" The question is answered in the brief in this way:

> Normally it is given to the minister. In practice it is in the hands of the deputy minister and through him it is frequently exercised by other officials including junior assessors. Junior assessors first deal with and report on income tax returns. These reports go to head office and are there either confirmed or overruled by more senior officials. It is reasonable to believe that only the more important or "larger" matters ever reach the desk of even the deputy minister—and perhaps never the minister. The fact is, therefore, that ministerial discretion is exercised, never by the minister, in a few instances by the deputy minister but in the main by various clerks, assessors, other officials of the income tax service. One can well realize that the only safe decision for assessors and clerks to make is against the taxpayer.

Then, at page 299 we find the following:

> We strongly urge therefore that the taxing power be returned to parliament where it belongs and that ministerial discretion be limited to administrative acts only, such as the prescribing of forms, the specifying of dates for filing and similar powers which pertain rightfully to the minister's duties as an administrator. In cases where it appears that it is impossible to avoid the granting of some judicial or semi-judicial functions to the minister or his officials, the exercise of discretion by them should never be final but should be subject to appeal to an independent appeal tribunal in the manner hereinafter referred to in respect of appeals.

(Translation):

Now, Mr. Speaker, the tradition is that parliament enacts legislation and that judicial or semi-judicial bodies are responsible for its interpretation. Such is the custom and tradition.

With this Bill C-72, we are taking a step backward. I say it is unwise to get away from this tradition. No serious reason has been advanced so far to justify such unappealable decisions as are provided for under this bill.

As the hon. member for Laurier (Mr. Chevrier) rightly mentioned, a customs duty is a tax, and the taxing power belongs exclusively to the House of Commons.

The immediate result of this bill will be to evoke feelings of uneasiness and uncertainty in Canadian business circles, because in many cases, very costly goods and considerable amounts will be involved.

Following the fears expressed by the members of the opposition in the debate on the resolution, I would have hoped that the minister would reconsider; apparently, he has done no such thing, or if he has, he has persisted in his initial attitude.

If this bill is passed, it can only be a cause for regret, because some of its provisions are contrary to the traditions and essential rules of parliament.

The hon. member for Kenora-Rainy River (Mr. Benidickson), in his amendment, proposes, for the above reasons, that the bill be not now read a second time.

In closing, may I add this. It is rather strange to find that the very people who opposed the amendment put forward before six o'clock by the hon. member for Kenora-Rainy River are those who, in the past three or four years, have been so vociferous in calling for the maintenance of parliamentary rights and those century old rights which we have acquired through parliamentary tradition.

(Text):

Mr. H. C. McQuillan (Comox-Alberni): Mr. Speaker, as a member from British Columbia, a province whose welfare depends greatly on export industries, I cannot subscribe to anything or any trend which may adversely affect the welfare of those industries or increase the capital cost of the plants and operations which produce those goods. In this I may be classed by many as provincially minded but I do not consider myself so. I sincerely believe I am thinking in the best interests of all of Canada. Furthermore, as a citizen of British Columbia, a province in which discretionary powers of ministers have not always been used in what I consider to be the best interests of the people, I oppose granting such powers to ministers of the crown excepting in circumstances of extreme necessity and urgency. Therefore, Mr. Speaker, it is my intention to support this amendment.

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

Mr. W. H. McMillan (Welland): Mr. Speaker, I will vote for this amendment because the bill proposes to remove from parliament certain of its taxing powers. I believe this is the first time I have seen this happen in the house. I recall vividly the debate on the Emergency Powers Act which was to apply for a limited period of time. I recall the minister and other members of the treasury benches found fault with the government at that time because they said the government was assuming powers that rightfully belonged to parliament. At that time the emergency powers bill had a time limit. The bill now before us has no time limit. It will be passed by a big majority in the house and can only be revoked by a majority of the house.

This afternoon the minister referred to the fact that certain measures would be taken because of confidential information. This suggests to me that because certain information would be confidential the Minister of National Revenue (Mr. Nowlan) could not be compelled to give any information to the house concerning why certain duties had been applied. As members of the house we are surrendering our right to tax and also our right to obtain information as to the reasons why certain duties are imposed. If there has been erosion by the tariff board, if there has been erosion by the Supreme Court of Canada, if there has been contraction in the meaning of the words "class or kind", I would much prefer to see the government spell out the remedy in legislation and leave the right of appeal to the tariff board and to the Exchequer Court of Canada.

I think this legislation could lead to abuses. I am not referring to the present Minister of National Revenue any more than to his successors. To all intents and purposes this legislation will become permanent and will be removed only because of abuses or other causes. When the minister replies I would ask him to explain why this particular aspect of taxation cannot be spelled out in legislation as is the case with all other forms of taxation. In other words, is it not possible to bring forward a broader definition of "class or kind" goods which will stick so far as the tariff board and the Exchequer Court of Canada are concerned?

This afternoon the minister said, I think, that the Minister of National Revenue would have the final decision on three points. The first was with respect to whether goods are shelf goods or custom made to specification. It strikes me that these two things can be defined in such a way as to distinguish them. Second, in the case of shelf goods he said that the Minister of National Revenue would have the power to decide whether or not Canadian production amounted to 10 per cent of our consumption. This is factual information which should be available to all and I do not think such a matter should come before the minister for decision. I can see that there might be some difficulty with respect to the third point, namely, whether in the case of custom made goods adequate facilities exist in Canada to make them economically within a reasonable period of time.

So far as the first two points are concerned, I think the government could spell them out in legislation. In the one case factual information is involved and in the other case it is just a matter of a definition to distinguish shelf goods and custom made goods. I do not think that would be very difficult. The only difficulty that might arise, and which I think all of us appreciate, is whether or not facilities exist in Canada for the production of the custom goods made to specifications.

Mr. John Smith (Lincoln): Mr. Speaker, my remarks at this time will be rather brief. I listened with particular interest to the remarks of the hon. member for Bonavista-Twillingate (Mr. Pickersgill) who seemed to be especially concerned about the loss of the rights of parliament in connection with the application of tariffs and duties. I should like to remind him that perhaps one of the last acts of the former government of which he was a minister was to impose a fair value for duty purposes on fruits and vegetables. They took this action and raised the tariff on certain fruits at that time, which was indeed a raising of tariffs without consulting parliament.

I remember the announcement in the newspapers at that time with respect to this action of the cabinet by order in council. It was pointed out in press reports that the then minister of finance, Walter Harris, had seen fit to take this action. He had reached into the closet and pulled out an old act passed in the days of the Bennett regime which had not been used for 22 years. However, when the chips were down and the former government was in trouble it decided to put the act into effect. This is indeed quite contrary to the opinion expressed by the hon. member for Bonavista-Twillingate at this time. What was good at that time surely should be good at the present time.

Last year or the year before the matter of fair value for duty purposes was debated in this house and discretionary powers were placed in the hands of the Minister of National Revenue (Mr. Nowlan) to take action if he saw fit. We went through the whole matter at that time. It was said that in taking such action we were only looking for retaliation from the United States but there has not been any retaliation, and after listening to all the debate I still feel that to place this reclassification matter in the hands of the Minister of National Revenue is to place it where it should be.

Perhaps the hon. member for Welland (Mr. McMillan) would prefer to have the present regulations continue whereby in order to secure a reclassification the matter has to go to the tariff board. Sometimes the board takes a year or two years to make a recommendation and then the matter has to come before parliament which may take six months or more to dispose of it. Therefore I think it is quite in order that we should cut out a lot of this red tape and get down to placing the responsibilities where they belong.

Division

I did not hear all the remarks of the hon. member for Kenora-Rainy River (Mr. Benidickson) but when I came into the house he was referring to statements I had made at the resolution stage. I think the hon. member for Kenora-Rainy River will understand that I respect the opinions he expresses in the house on many occasions, though I do not always agree with him. I should like to say that when I spoke on the resolution stage I was speaking more or less in general terms. At that time I referred to several commodities that could be made in Canada, some of which in fact are made here, and the fact that goods of a similar kind came into this country duty free. While the bill might not cover all the commodities I mentioned, I felt it was a step in the right direction and I still feel that way. I know that the house is anxious to get along with the bill, Mr. Speaker, and I believe these are the only points I wish to make. My only disappointment with respect to the bill is that it perhaps does not go far enough.

The house divided on the amendment (Mr. Benidickson) which was negatived on the following division:

YEAS

Messrs:

Argue	Hellyer
Badanai	Herridge
Batten	Leduc
Benidickson	McIlraith
Bourque	McMillan
Carter	McQuillan
Chevrier	Martin (Timmins)
Clermont	Meunier
Denis	Mitchell
Deschatelets	Pearson
Fisher	Peters
Forgie	Pickersgill
Godin	Pitman
Habel	Regier—28.

NAYS

Messrs:

Aiken	Churchill
Anderson	Clancy
Baldwin	Coates
Baskin	Comtois
Beech	Cooper
Bell (Carleton)	Creaghan
Bell (Saint John-Albert)	Crouse
Bigg	Danforth
Bissonnette	Dinsdale
Bourdages	Dorion
Browne (St. John's West)	Doucett
Browne (Vancouver-Kingsway)	Drysdale
	Dubois
Brunsden	English
Cadieu	Fairclough, Mrs.
Campbell (Lambton-Kent)	Fairfield
	Fane
Campbell (Stormont)	Fleming (Eglinton)
Casselman, Mrs.	Flemming (Royal)
Cathers	Forbes
Charlton	Fortin
Chown	Fulton
Gillet	More
Halpenny	Morris
Hamilton (Notre Dame de Grace)	Muir (Lisgar)
	Nielsen
Hamilton (Qu'Appelle)	Noble
Harkness	Nowlan
Henderson	O'Hurley
Hicks	O'Leary
Hodgson	Ormiston
Horner (Acadia)	Pascoe
Horner (The Battlefords)	Payne
Jones	Pigeon
Jorgenson	Rapp
Keays	Rogers
Kennedy	Sevigny
Knowles	Simpson
Lambert	Slogan
Lennard	Smith (Lincoln)
Macdonnell	Smith (Simcoe North)
MacEwan	Smith (Winnipeg North)
MacLean (Queens)	Southam
MacLean (Winnipeg North Centre)	Starr
	Stearns
MacLellan	Stewart
MacRae	Tassé
McCleave	Taylor
McFarlane	Thomas
McGrath	Thrasher
McIntosh	Villeneuve
McLennan	Vivian
Mandziuk	Walker
Martineau	Webb
Martini	Weichel
Matthews	White
Milligan	Winkler—111.
Montgomery	

Hon. J. W. Pickersgill (Bonavista-Twillingate): I said earlier when I was making a few observations on the amendment put forward by my hon. friend from Kenora-Rainy River that I intended to abide by the ruling of His Honour the Deputy Speaker and speak strictly on the amendment, reserving the general observations which I had to make about the bill untill we came to discuss the minister's motion for second reading.

I may say that it does seem to me that extraordinary as it was for the government to introduce this legislation at any time, in the light of what has happened in the weeks, the months, since this legislation was first proposed in the budget speech on December 20, during most of which time the minister has postponed it from time to time so that there would not be an opportunity to debate it consecutively—

Mr. Fleming (Eglinton): That is utterly without truth.

Mr. Pickersgill: While the minister has been flitting back and forth to British Columbia in equally futile efforts, during that time we have seen in every other country of commercial importance in the free world increasing indication that the whole trend, except in our own country, is toward the liberation of trade not toward the restriction of trade. Yet here are we under the present government going against the stream of freedom in the world at the present time.

It seems to me that anyone who has paid any attention to what was said as recently as last week by the British Prime Minister when he was here would appreciate how ill-timed, how unfortunate it is for the real interest of the country to be moving in the direction in which we are moving at the present time. It has already been made clear —and I do not intend to traverse this ground again this evening—that all the great export industries of this country, the industries which are finding competition increasingly difficult to meet as other countries rehabilitate their industry and build up their capital, are really greatly concerned about this move by the government which, they fear, as my hon. friend from Ottawa West (Mr. McIlraith) pointed out at an earlier stage in the debate, will have the effect of increasing their costs or alternatively, driving them into the use of less efficient machinery or more costly machinery than would otherwise be the case.

It seems to me that these broad considerations ought to have influenced the government. It seems they should have taken account of the reaction in the world at large and the reaction of our export industries on whose success the income of about one of every four Canadians depends. It seems to me the government should have been warned by all this that we were moving in the wrong direction and that they should call a halt and abandon this legislation.

The Minister of Finance has told us over and over again that the principal reason for bringing this legislation before parliament at this time is that over the years the tariff board and the courts have eroded the law. In other words, the minister has said that neither the tariff board nor the courts knew what parliament meant and that the effect of the law as it was until 1949 has been changed by the decisions of the board and of the courts. I must say this is the first time in my recollection that a minister of the crown who is also an eminent member of the bar has criticized in this fashion decisions of the courts including the highest court of our country. However, as I said earlier, if the government feels the law as it now stands and as it has been interpreted by the courts does not represent what the majority of the members of this parliament want, then I suggest they should change the law and not attempt to abolish the rule of law.

Even if the supreme court has been as misguided as the Minister of Finance represented it as having been, the hon. gentleman is surely in error in suggesting that we must extinguish the jurisdiction of the court in the future. That, of course, will be the effect of this legislation.

In response to a request which I made at an earlier stage of the proceedings in committee—a request that we should be furnished with concrete examples of this alleged erosion; erosion which I may say the minister repeatedly said had taken place between 1950 and 1960—the hon. gentleman went back and spent some time discussing two or three cases in 1933 and 1934 which could not have had any conceivable relevance to the matter before us nor even to the proposition he himself had made. Then the hon. gentleman went on to cite the case in 1950 of the .22 rifles. This was the only case he took the trouble to discuss in some detail, and the minister was not very explicit even about that. But to the extent that he was explicit he was quite wrong.

What actually happened in 1950 was that the tariff board did not uphold the decision of the deputy minister at that time but, instead, went back to a decision of the deputy minister in 1939 and supported it. So, far from there being any erosion by the tariff board there would appear to have been some misinterpretation in 1950 of the meaning, as it was understood in 1939 of this legislation by parliament, and the tariff board, as one would expect, went back to that earlier decision.

The Minister of Finance, with the vast experience that he acquired over the years in opposition and the very brief experience he has had as Minister of Finance, in which his capacity for sound judgment in respect of financial problems has been demonstrated in such striking fashion to the country and to the house, has made a suggestion that is difficult to accept. The tariff board which, during practically all this period, he said, was characterized by this erosion, was presided over by Mr. Hector McKinnon who perhaps more than any other person in this country was in the confidence of the ministers of finance who were responsible for the law as it was in 1939, and in 1930 when Mr. Dunning first proposed this legislation in its modern form. To suggest that Mr. Hector McKinnon, who made these decisions, did not know what the law meant, but that the Minister of Finance who was opposed to the government that was responsible both for proposing and administering of the law is endowed with some special insight into it, is a proposal which every informed person will find very hard to swallow.

As my friend the hon. member for Kenora-Rainy River (Mr. Benidickson) has pointed out, Mr. McKinnon, after being for many years the principal tariff adviser to the Minister of Finance, and for 15 years the chairman of the tariff board, and even more extraordinary, after this vote of want of confidence by the Minister of Finance in

Mr. McKinnon, he is still employed now, after his retirement, to advise the government and to conduct negotiations on its behalf. It does seem to me that the government would have been wise to think up some different excuse for this legislation than an attack upon Mr. McKinnon's knowledge of the law and on the capacity of the Supreme Court of Canada to interpret it. The Minister of Finance having misrepresented the rifle case to the house, then referred us to a lot of other cases but did not make the slightest attempt to show in any respect whatsoever how there could have been erosion.

Mr. Benidickson: That will take some days to look up.

Mr. Pickersgill: The most serious of all the objections, except the one the house has already expressed a view on, but which is equal to it in its import, is the deliberate attempt of the government to abolish the rule of law, a deliberate attempt on the part of the government to exclude the taxpayer from the court, to which, up to now, he has had access.

Mr. Speaker: I wonder if the hon. gentleman would agree with me that the question has been disposed of on the amendment?

Mr. Pickersgill: No, sir, I do not think that question has been disposed of by the amendment. The amendment we had before us dealt with the taking away from parliament the tariff making powers, but did not in any way deal with the question of the denial of the right of appeal. It may be that—in order to show that the rights of parliament were taken away; there was, incidentally, reference to this other matter, but it does not seem to me that it was in any sense whasoever the subject of the amendment—this denial of the right of appeal, which is clearly set out in the legislation itself, and which is one of the fundamental terms of the legislation which the government has argued is necessary in order to make the legislation effective, is every bit as objectionable as the attempt to take from parliament its power to determine tariffs.

At page 1668 of *Hansard* of February 2, 1961 while in committee, the Minister of Finance in a reply to an intervention of mine, had the following to say:

> Mr. Pickersgill: —He is denying the right to an appeal in the future, and that is what we are objecting to.
>
> Mr. Fleming (Eglinton): You see, Mr. Chairman, this speech has been introduced under the guise of asking a question.
>
> Mr. Pickersgill: Well, answer it.
>
> Mr. Fleming (Eglinton): Answer the speech? I shall be prepared to answer anything that is raised in the committee and I shall be prepared to answer this point, but I will first draw to your attention, Mr. Chairman, the manner in which the hon. member, having taken to himself the right to ask a question, then comes forward in typical style to supply his own answer, which is a most erroneous and misleading answer, and then sits down with a look of utter satisfaction although the answer he has supplied to his own question is wrong.
>
> Mr. Pickersgill: You give the answer, then.
>
> Mr. Fleming (Eglinton): May I make my own statement?
>
> Mr. Pickersgill: Give the answer; never mind all the verbiage.

The minister then went off on some other theme. He has obviously been exceedingly uncomfortable about this matter and has sought, as far as possible, to evade direct answers. There is no way of getting around the fact that on three of the most important questions of fact—indeed one of them is absolutely fundamental—the minister's decision is to be final and not subject to appeal. I do not think that is in question. I have a good many references and am prepared to read them if it is. The minister decides finally on the basis of confidential information, without review or appeal of any kind, even by the cabinet, what goods are shelf goods and what custom made goods. This is a question of fact in respect of which it has never been necessary in the past to have a determination by the tariff board or the courts.

Mr. Bell (Carleton): Is the hon. gentleman going to answer the question I asked in regard to this point?

Mr. Pickersgill: Perhaps the hon. member would like to repeat it.

Mr. Bell (Carleton): The question I asked the hon. gentleman earlier, which he avoided, was whether he approved of the distinction that was made between shelf goods and custom goods made to specification?

Mr. Pickersgill: I certainly do not approve of the distinction in the form it is made in this bill. I do not approve of giving the Minister of National Revenue the power to determine whether an article is custom made or shelf goods. As to the broader question which the hon. member for Carleton (Mr. Bell) has asked—it is a very important one—I would say this. I have the very gravest doubts as to whether, under the obligations we entered into in the Canada-United States trade agreement, and subsequently in GATT, that it is a proper thing to do; I fear it is a thing that will be regarded as an infringement of obligations solemnly entered into for this parliament to say that goods are made in Canada, and to use that provision of the law, in respect of things that are not made in Canada.

That is made perfectly clear with the definition that is given here of "custom made to specifications", and whether adequate facilities exist in Canada to make them. I am sure that, if I were the representative of another country having commercial relations with Canada, another country which had agreed to the provisions that now exist in the law, I would regard this as an evasion of that law. I am perfectly sure that if the Americans undertook to do anything similar we would, as the minister used to say when he was over here, talk to them in no uncertain terms. Well, he does not talk that loud any more now when he has to go down to Washington and see them. In fact, what began with a bang is ending in a whimper so far as the minister is concerned when he goes to Washington.

But the plain fact is if the Americans made a similar distinction in relation to something that we thought they had conceded to us in a trade agreement there would be a mighty howl in Canada about it, and every Canadian who is honest with himself knows it. To me it looks like pretty sharp practice. But I say, sir, that if any distinction is to be made it should be made clearly and explicitly by this parliament, and that the question of fact should be determinable by the tariff board as other questions have been determinable by the tariff board in the past in respect of these "made in Canada" rules. In the past every aspect of the facts has been open to review by the tariff board. Now certain aspects are taken away from them. This is the whole point.

There might be an argument for saying that there should be no court of appeal, no review instituted on something which has never been reviewed in the past, administrative decisions which have never been the subject of appeal in the past. But here, sir, we are deliberately saying that some of the facts which in the past have been appealable to the tariff board and to the courts are no longer to be appealable. In other words, we are extinguishing an existing right to judicial determination of facts and vesting the decision instead in a single minister. It seems to me, sir, that that is far and away the most serious aspect of this legislation apart, as I have said, from the derogation of the rights of parliament which we believe the bill also embodies.

The most serious feature is, of course, the minister making the final decision. I ask the minister again why? I ask the hon. member for Greenwood (Mr. Macdonnell), who has some regard for these matters, why should the tariff board not be able to look at all these facts? Surely the question of whether an article is custom made or shelf goods is a question of fact which could be determined in the open, publicly, with argument heard on both sides.

One of the ministers said that it was a very simple matter; the other rather suggested it was not; we have had a good deal of double talk of that sort. To me it should be a matter of fact, and it should be determined in the open and publicly.

This is not a small matter; this is a matter that can affect business operations and affect employment. I understand that at the beginning of the afternoon, before I was able to get into the house, the minister talked about this so-called erosion having affected employment adversely. Well, we are very much afraid that these arbitrary decisions, against which there is going to be no appeal, are going to affect employment adversely.

Then, sir, why should normal Canadian consumption of shelf goods be abstracted from the list of facts which the tariff board can determine? Even when something is ruled to be shelf goods, why should just one of the facts be taken away? I cannot give any rational explanation of that at all and I have not heard any from the other side of the house. The tariff board can determine the production but not the consumption. If anything might have been considered secret, one would have thought that the production would be more apt to be something about which producers would be concerned with maintaining secrecy. Surely the total consumption in Canada should not be a matter of secrecy. The suggestion that there is some mysterious statistic available to the Minister of National Revenue that would not be available to the tariff board is a suggestion that anybody with the faintest experience with administration knows is too ridiculous an argument to be seriously accepted for a moment.

It seems to me, sir, that there is just no rational justification whatsoever for this clause. The result is that the denial of the right of appeal has created in many minds the impression the government is doing this deliberately because it wants to have the capacity to favour some people as opposed to others. I am not making this charge myself. This is an impression that is widespread in the country and it is the kind of impression that is bound to be created whenever these secret and arbitrary powers are given to ministers of the crown.

Why do they want them to be secret? Why do they want them to be arbitrary? What are they afraid of? I remember Mr. Graydon, the former leader of the opposition, would talk about pulling up the blinds and letting in

the light. The Prime Minister used to be very eloquent on this subject when he was on this side of the house.

As I say, even if the government does want to change these definitions, even if it does want the rest of this legislation, it is impossible to see why it feels it necessary to deny and to nullify the right of appeal that now exists.

I reminded the committee at an earlier stage, and I should like to recall it once more of a statement made by the Minister of Finance some years ago, which I think all of us in this house should ponder. I may say I do not too often agree with the Minister of Finance. He was not minister of finance then, but I certainly agree with what he said at that time. This is what he said, and it is very apt. It applies with great force to the legislation now before us. On June 7, 1955, the Minister of Finance said, as recorded at page 4524 of *Hansard* of that day:

> Sir, hon. members, as I conceive it, were elected to this house to legislate, not to abdicate the legislative function to the government. They are elected to preserve freedom, not to open the doors or admit the Trojan horse of executive power into the citadel of Canadian freedom.
>
> We of Her Majesty's loyal opposition have fought this kind of legislation, and I think we can point to some success.

Well, considering the kind of government we have now, I am not sure, sir, that we will be able to point to any success; but I do say that that is no reason why we should not fight this attempt to abrogate the rule of law, this attempt to take away access to the courts which now exists, this attempt by a government that only a year ago asked this parliament, and got this parliament unanimously to enact a bill of rights, to take away one of the fundamental rights that bill was supposed to safeguard. That, sir, is in the highest degree astonishing to us on this side of the house and, of course, not only to us.

I should like to refer to, and to express as my own views, views that were expressed on March 18 in a journal published in this country which is not a notorious proponent of free trade, a journal which I think may fairly be regarded as a supporter of, at any rate, moderate protection. I refer to the *Financial Post*. As I say, I make these words completely my own. That paper said:

> For all Canadians, as well as for manufacturers and importers, a very basic principle is at stake in the current revision of the Canadian Customs Tariff Act. It is the right of a private citizen to appeal to an independent tribunal if he believes he has been wronged by those empowered to administer and put into effect government legislation. This is precisely the right that is being taken away in one part of the government bill, currently before the house, to define whether goods are of a "class or kind" made in Canada. In three specific matters, the decision of the Minister of National Revenue will be final and, if the bill passes in its present form, there can be no appeal to the independent tariff board. This is unwanted, unnecessary and dangerous. The thing should be strangled in its cradle.

Indeed, sir, one wonders why it was ever born, especially with the paternity of the right hon. gentleman who also sponsored the bill of rights. Therefore, sir, I wish to move, seconded by the hon. member for Trinity (Mr. Hellyer):

> That all the words after "that" be struck out and the following substituted therefor:
>
> "this house declines to proceed with a bill the fundamental terms of which, by seeking to deny an appeal by the subject to the courts now provided by law, are repugnant to the spirit and objectives of the Canadian bill of rights."

Mr. Speaker: Before I place this amendment before the house, is there any comment?

The house divided on the amendment (Mr. Pickersgill) which was negatived on the following division:

YEAS

Messrs:

Argue	Godin
Badanai	Habel
Batten	Hellyer
Benidickson	Herridge
Bourque	Leduc
Carter	McIlraith
Chevrier	McMillan
Clermont	Martin (Timmins)
Denis	Meunier
Deschatelets	Peters
Eudes	Pickersgill
Fisher	Pitman
Forgie	Regier—26.

NAYS

Messrs:

Aiken	Dinsdale
Anderson	Dorion
Baldwin	Doucett
Baskin	Drysdale
Beech	Dubois
Bell (Carleton)	English
Bell (Saint John-Albert)	Fairclough, Mrs.
Bigg	Fairfield
Bissonnette	Fane
Bourbonnais	Fleming (Eglinton)
Bourdages	Flemming (Royal)
Browne (St. John's West)	Forbes
Browne (Vancouver-Kingsway)	Fortin
Brunsden	Fulton
Cadieu	Gillet
Campbell (Lambton-Kent)	Halpenny
Campbell (Stormont)	Hamilton (Notre Dame de Grace)
Casselman, Mrs.	Hamilton (Qu'Appelle)
Cathers	Harkness
Charlton	Henderson
Chown	Hicks
Churchill	Hodgson
Clancy	Horner (Acadia)
Coates	Horner (The Battlefords)
Comtois	Jones
Cooper	Jorgenson
Creaghan	Keays
Crouse	Kennedy
	Knowles

Lambert	O'Leary
Lennard	Ormiston
Macdonnell	Pascoe
MacEwan	Payne
MacLean (Queens)	Pigeon
MacLellan	Rapp
MacRae	Rogers
McCleave	Sevigny
McFarlane	Simpson
McGrath	Slogan
McIntosh	Smith (Lincoln)
McLennan	Smith (Simcoe North)
Mandziuk	Starr
Martineau	Stearns
Martini	Stefanson
Matthews	Stewart
Monteith (Perth)	Tassé
Montgomery	Taylor
More	Thomas
Morris	Thrasher
Muir (Lisgar)	Villeneuve
Nielsen	Webb
Noble	Weichel
Nowlan	White
O'Hurley	Winkler—107.

Mr. Speaker: I declare the amendment lost.

Mr. Erhart Regier (Burnaby-Coquitlam): Because of the lateness of the hour, Mr. Speaker, I wonder whether I might be permitted to move the adjournment of the debate.

Some hon. Members: No.

Mr. Regier: If hon. members object, I shall begin. We have been entertained over a considerable number of days at various stages of this measure by spokesmen for the Liberal party. I can remember very well an election campaign in 1940 when the speaker so adequately and so graphically explained to his audience that, despite the differences or the professed differences of the Liberals and Conservatives on this matter of tariffs, to the consumers and to the producers of Canada each time there was a change of government all it meant was higher tariffs regardless of any election promises or any speeches they had made in years gone by.

I also thought that the Liberals had a great deal of gall to be appealing to the parliament of Canada and to the people of Canada at this stage with regard to the rights of parliament. After all, I do not think I am the only one in Canada who has a bit of a memory. We can remember only too well that a limited number of years ago the Liberal party of Canada showed no concern for the rights of parliament.

Mr. Speaker: Order. I think the hon. member will agree with me that the issue with regard to parliament delegating its authority was disposed of by the first amendment. The second amendment disposed of another question. The hon. member has a rather limited scope now in the debate on second reading.

Mr. Regier: I should like to express my disappointment. The minister today made it abundantly clear that he was not happy with the decisions of the tariff board. He spoke of erosion of the customs tariff legislation that had occurred because of the decisions of the tariff board. To me the minister came very close to expressing contempt for what is in effect a court of law established by this parliament.

I wonder whether I might move the adjournment of the debate, Mr. Speaker.

Mr. Speaker: I will call it ten o'clock.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire from the house leader what we will do tomorrow and the next day.

Mr. Churchill: Tomorrow we will carry on with this debate. If it is concluded, we will then take item No. 5 on today's order paper, Bill No. C-82 which refers to a convention between Canada and the United States of America with regard to taxation matters. If that business is concluded, we will take item No. 9 on today's order paper, a resolution in the name of the Minister of Labour dealing with vocational rehabilitation.

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

Questions

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of debates pursuant to standing order 39:

SEAWARD DEFENCE, HALIFAX

Question No. 167—**Mr. Tucker:**

1. What is the present role assigned to seaward defence in the defence establishment at Halifax, N.S.?

2. How many personnel are there at seaward defence, and have there been any reductions in personnel since June 1957?

3. If so, to what extent, and with respect to which classification?

Answer by: **Hon. Pierre Sevigny (Associate Minister of National Defence):**

1. The present role assigned to seaward defence in the defence establishment at Halifax, Nova Scotia is as follows: the storage, installation and maintenance of minesweeping towed equipment; anti-torpedo net defences storage, installation and maintenance; storage, installation and maintenance of all Atlantic command ships' moorings and equipment; submarine cable laying and maintenance as required; and general assistance to other dockyard departments requiring the use of specialized equipments and skills.

2. A reduction has taken place in personnel since June 1957. At the present time there are 29 personnel employed at seaward defence.

3. The over-all reduction in personnel since June, 1957, totals 33 personnel in the following classifications: 2 storesmen 1, 3 rigger supervisors, 4 riggers, 10 riggers helpers, 2 labourers, 1 machinist, 1 acetylene welder, 1 electrical cable splicer, 6 naval officers, 1 chief petty officer, 2 petty officers.

C.N.R.—SUPERVISORY PERSONNEL, CAPREOL, ONT.

Question No. 170—**Mr. Fisher:**

1. Does the Canadian National Railways employ at Capreol at the present time any supervisory personnel with the following titles: trainmaster, area managers, superintendent of transport, superintendent of motive power, yardmasters, and car foremen?

2. If so, how many of each category?

3. How many of these positions are new to the Capreol headquarters since the changes in the management structure?

4. How many senior supervisory personnel worked in Capreol before such changes?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

The management of Canadian National Railways advise as follows:

1. Prior to the general changes in the railway organization structure, Capreol was a division headquarters point under the jurisdiction of a superintendent. Its district headquarters was located at North Bay under the jurisdiction of a general superintendent assisted by a superintendent of transportation, superintendent of motive power and car equipment, and a district engineer. Two other divisions each headed by a superintendent which reported to the same district headquarters were Hornepayne and Allandale. Under reorganization, the district and its divisions were abolished and an area with headquarters at Capreol was established.

2. 3 trainmaster-road foremen, 1 area manager, 1 transportation officer (formerly superintendent of transportation), 2 superintendent of equipment (formerly superintendent of motive power and car equipment). The positions of superintendent of transportation and superintendent of motive power and car equipment were reclassified as transportation officer and superintendent of equipment under reorganization.

3. 2 trainmaster-road foremen, 1 area manager, 1 transportation officer, 1 superintendent of equipment.

4. The organization structure is not specifically comparable before and after the changes but as a division headquarters, Capreol was under the jurisdiction of a superintendent and was assisted by 31 supervisors.

C.N.R. SUPERVISORY ADMINISTRATION, EDMONTON

Question No. 172—**Mr. Fisher:**

1. What was the total monthly payroll of the supervisory Canadian National Railways administration for the month of November 1960 in Edmonton?

2. What was the total payroll of the supervisory C.N.R. administration for the month of February 1961?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

The management of Canadian National Railways advise as follows:

1. The total monthly payroll of the supervisory railway administration in Edmonton for the month of November, 1960, was approximately $70,000.

2. Approximately $122,000.

(Prior to changes in the railway organization structure effective January 1, 1961, Edmonton was a district and divisional headquarters. Subsequent to reorganization Edmonton became the headquarters for the mountain region; also located there is the headquarters of the Edmonton area.)

C.N.R. TRACK BALLASTING, WABAMUM SUBDIVISION, ALTA.

Question No. 173—**Mr. Fisher:**

1. Did the Canadian National Railways carry out track ballasting on the Wabamum subdivision during 1959 and/or 1960?

2. If so, how many miles of track were ballasted?

3. Where did the C.N.R. get the gravel for this ballasting, and at what cost?

4. Did the ballasting prove satisfactory?

5. If not, what remedial measures, and at what cost, were carried out to prove a safe track with a high speed limit?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

The management of Canadian National Railways advise as follows:

1. Yes—1959 and 1960.
2. 1959—79 miles.
   1960—12 miles.
3. Rosevear and Hinton pits. The prices of the crushed gravel are competitive but the range was between $1 and $2 per cubic yard.
4. Yes.
5. Answered by No. 4.

C.N.R. EFFICIENCY EXPERTS

Question No. 174—**Mr. Fisher:**

1. Does the Canadian National Railways employ any persons who are used as efficiency experts in studying the railways operations?
2. If so, how many such persons, and with what qualifications?
3. Do they work out of the Montreal head office completely, or are some assigned to work from other headquarters?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

The management of Canadian National Railways advise as follows:

1 and 2. The objective of the company is to have all employees work toward the provision of efficient transportation services to meet the requirements of shippers and the travelling public. The company does not employ so-called "efficiency experts". If the question has reference to "work method" employees, as indicated in answer to question No. 82 (*Hansard* February 21, page 2290) there are 175 such employees. These include work study, methods, machine and material analysts. Candidates for such positions must have above average performance and a minimum of junior matriculation. Personnel so engaged are retrained employees and have an average of 12 years' service.

3. They work at various points across the system as part of the normal staff.

NEW C.N.R. REGIONAL SYSTEM, EDMONTON

Question No. 175—**Mr. Fisher:**

1. Did the Canadian National Railways announce on December 8, 1960, the creation of a new regional system centered at Edmonton, Alberta?
2. If so, what was the projection of the total staff after the new system was completely inaugurated?
3. How many of this staff are considered to be supervisory personnel?
4. How many supervisory personnel were stationed at Edmonton before the creation of the new regional system?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

The management of Canadian National Railways advise as follows:

1. Canadian National announced in August 1960 a general plan of reorganization whereby five regions were created to replace the existing three. Edmonton is the headquarters of the new mountain region.

2. As at January 15, 1961, 8,251 railway employees in the mountain region.

3. 768.

4. There were 122 railway supervisory personnel at Edmonton before reorganization. At that time, Edmonton was a district and division headquarters under the jurisdiction of western region headquarters at Winnipeg. After January 1, Edmonton became the headquarters of the mountain region with corresponding relocation to that point of various functions necessary for the administration of a railway region.

RAILWAY WAGE COMPARISON STUDY—COST TO C.N.R.

Question No. 176—**Mr. Fisher:**

1. What was the cost to the Canadian National Railways of its share of the study prepared by Woods and Gordon on the comparability of rates paid railway workers with those in other industries?
2. Has Woods and Gordon received payment from the C.N.R. for its share of the report's cost?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

The management of Canadian National Railways advise as follows:

1. As indicated in answer to question No. 208 (*Hansard* March 22, page 3219), the study was undertaken at the request of the six railways making up the joint negotiating committee and the cost of it was borne by the six companies. In view of this, the Canadian National does not feel free to disclose the cost or apportionment of cost.

2. Yes.

T.C.A. FLYING TIME, FORT WILLIAM-VICTORIA

Question No. 180—**Mr. Fisher:**

1. What is the fastest flying time by Trans-Canada Air Lines to Victoria, British Columbia, from Fort William, Ontario?
2. Is the fastest flying time the most direct route? If not, what is the reason?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

The management of Trans-Canada Air Lines advise as follows:

1. Total elapsed time at present 13 hours and 10 minutes. Effective with the new timetable on April 30, total elapsed time will be 11 hours and 45 minutes.

2. No. There is no direct service between the lakehead and the Pacific coast because of the paucity of through traffic offering (69 through passengers booked lakehead to Victoria in 1960 and 66 Victoria to lakehead).

HOUSE OF COMMONS

Tuesday, April 18, 1961

The house met at 2.30 p.m.

GRAIN

STATEMENT ON SHIPMENTS AND QUOTA POSITION

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, a number of the members from western Canada have been asking me about grain quotas in Manitoba and in the central and eastern parts of Saskatchewan. I am now able to report that even though, because of ice conditions, navigation has not been officially opened at the lakehead, grain is now moving in substantial volume. Fourteen million bushels have now been shipped, of which 9.9 million bushels were wheat. These 14 million bushels compare with shipments to the same date last year of 10.4 million bushels. There are 15 vessels now loading grain at terminals at the lakehead with grain destined for eastern Canada and export markets.

It is expected that in the weeks ahead a substantial volume of grain will be shipped from the lakehead. This means that producers in western Canada at shipping points tributary to the lakehead can look forward to greatly improved delivery opportunities and a general rise in the quota level.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I think the minister should exert every influence to have an increased volume of grain moved eastward because of the very low delivery quotas in Manitoba and in parts of Saskatchewan, particularly the central and eastern parts. As of April 5 there were quotas of 2 bushels or less at 270 points in Manitoba as compared with only 58 in that position a year ago. In Saskatchewan 871 points had the very low quotas of 2 or 3 bushels as compared with 467 in that position a year ago.

I had hoped that the minister would have given the house more information, and I should like to ask him this question on the orders of the day. What is the objective for the quota at the end of the crop year? Is it the target of the government to have an equalized quota? If so, do they hope that the quota will be 7 bushels an acre, 8 bushels an acre, or what does the minister think the situation will be?

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I am not the official spokesman with respect to agriculture on this side of the house, but I could not resist the temptation to rise in connection with the announcement the minister has just made to indicate to him that while the announcement is most welcome, there is now every reason why an increase in the movement of grain, certainly eastward if not westward, can be expected because of the additional warehousing facilities that have been established on the St. Lawrence. I refer, of course, to Montreal where large extensions have been made, to Baie Comeau and, I believe, Sorel and Three Rivers.

There is one point I should like to bring to the attention of the minister. The former minister of trade and commerce when he was in office announced a reduction in the cost of moving grain of 3 cents per bushel, and I am wondering whether the government has given consideration to a further reduction. I do so because when the former minister made the announcement I think he gave some indication that the reduction might eventually be in the neighbourhood of 5 cents per bushel. I hope the government will find it possible to reduce freight costs to a greater extent than 3 cents per bushel.

[*Later:*]

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I wonder if I might ask my question of the Minister of Agriculture. Can the minister inform the house what the grain delivery quotas will be by the end of the crop year, and does he envisage a general 7-bushel quota, 8-bushel quota or what will the level of the quota be?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, any minister charged with responsibility for the Canadian wheat board would be reluctant to make any definite commitment. However, I think it has been definitely established that a tremendous amount of energy and intelligence is going into the moving of grain out of the country. We will do our level best to equal the record created last year by the wheat board when all but 47 points were equalized at 7 bushels.

LABOUR CONDITIONS

THREATENED RAIL STRIKE—INQUIRY AS TO FURTHER TALKS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Labour a question arising

out of a statement by the Prime Minister on December 2 that the period—that is, the period between the passage of the legislation preventing a railroad strike and May 15, when that legislation expires—would be one of continued discussion between the parties. Has the government taken any steps recently to bring the parties in this dispute together again?

Hon. Michael Starr (Minister of Labour): Ever since the bill was passed by parliament, Mr. Speaker, the government has had this aspect continually under consideration, and we are very much aware that May 16 is the date upon which this legislation terminates. Every effort will be made to bring about a settlement.

Hon. Lionel Chevrier (Laurier): I should like to ask a supplementary question. Following the tabling of the report of the royal commission, have the railways asked for any instructions or directions from the government in the light of the report?

Mr. Starr: Not to my knowledge.

Mr. Hazen Argue (Assiniboia): I should like to ask a supplementary question. In order to take a positive attitude, has the government or the minister made any proposals to the railway companies and to the employees that in the opinion of the government would be grounds for a fair settlement?

Mr. Starr: No, Mr. Speaker.

REGINA—STATEMENT AS TO R.C.M.P. INTERVENTION IN LAUNDRY STRIKE

On the orders of the day:

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, yesterday the hon. member for Assiniboia asked me whether, in view of the statement made earlier by the Associate Minister of National Defence, the Royal Canadian Mounted Police would respect the picket lines in operation in the course of a strike at the Rainbow Laundry and Dry Cleaners in Regina.

I said I would look into the facts and answer the hon. member today. I am advised —I trust that my information is correct, and if so I am sure the hon. member will be happy about it—that the strike ended on April 11.

GLEN EXELBY—INQUIRY AS TO EMPLOYMENT OPPORTUNITIES

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I would like to ask the Minister of Labour if he can say, in view of the offer made in his letter, whether the national employment service has as yet found employment for Mr. Exelby of Hamilton?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the hon. member for Bonavista-Twillingate did such an excellent job in regard to Mr. Exelby that we are having some difficulty in placing him now, but will continue our efforts and in spite of that will be able to place him.

INDIAN AFFAIRS

SARNIA—CANCELLATION OF LAND SALE CONTRACT

On the orders of the day:

Mr. J. W. Murphy (Lambton West): I should like to ask the Minister of Citizenship and Immigration whether she can bring the house up to date on the present status of the Indian land deal at Sarnia.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, the company involved defaulted on its commitments, and accordingly notice of cancellation of contract was sent to them last evening.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask a supplementary question. Can the hon. lady give the assurance that no part of the lands involved in this transaction will be deeded to any other persons?

Mrs. Fairclough: Mr. Speaker, if the Indians require some subsequent disposal of the land, that will have to be considered on its own merits, but not under the contract which has now lapsed.

Mr. Pickersgill: I did not make myself clear. What I was asking the hon. lady was an assurance that no deed resulting from that transaction will be given to any other person.

Mrs. Fairclough: I gave that assurance to the hon. member the other day.

EXTERNAL AFFAIRS

CUBA—REQUEST FOR INFORMATION ON COUNTER-REVOLUTION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Acting Prime Minister or the Acting Secretary of State for External Affairs. As we have been informed that news services from Cuba have been cut off at New York since the attacks began yesterday, and we have to depend now on the limited facilities available through commonwealth countries; and in view of the desire of the Canadian people to know the

facts and the truth with respect to the present attacks on Cuba, can the minister inform the house whether he has any information as to the countries from which these attacks have been launched and the names of the persons responsible for this counter-revolution?

Hon. E. D. Fulton (Acting Secretary of State for External Affairs): The answer to both parts of the question is no.

SPORTS

OLYMPIC GAMES—INQUIRY AS TO REPORT ON SITE

On the orders of the day:

Mr. M. L. McFarlane (Kootenay East): I should like to direct a question to the Minister of National Health and Welfare. Has he been advised that the Canadian Olympic association is considering only two sites for the 1968 winter Olympic games, namely Banff and Garibaldi, as stated recently in *Maclean's* magazine, although the report of the Foundation Company of Canada has not yet been made public?

Hon. J. W. Monteith (Minister of National Health and Welfare): I think the *Maclean's* article can only be regarded as speculation, since the Canadian Olympic association has not reached a decision on the best site at which to hold the games.

Mr. McFarlane: May I ask a supplementary question. Would the minister point out to the Canadian Olympic association that as of April 9 there was 47 inches of snow at the bottom of the hill and 15 feet at the top in the Fernie area, while Banff is now closed down for lack of snow and Garibaldi has been shrouded in fog all week.

Mr. Speaker: Order. Perhaps the hon. member should ask for an appointment to appear before the Olympic committee.

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the minister. Have any ministers of the government been present with delegations making representations to the Canadian Olympic Association in support of the Garibaldi or Banff sites for the 1968 winter Olympics?

Mr. Monteith (Perth): Not to my knowledge, Mr. Speaker.

IMMIGRATION

JOHN WITHERS—ALLEGED EXTORTION FROM PERSONS UNDER DEPORTATION ORDERS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the Minister of Citizenship and Immigration whether the hon. lady or her department is directing an investigation into the activity of a man in Toronto named John Withers, who claims some distant relationship to the hon. lady, and who apparently has been extorting money from persons under deportation orders.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): First of all, may I tell the hon. gentleman that if he will look farther along in the article he will find that the gentleman has denied any relationship, which I do also. In so far as an investigation is concerned, yes; the matter is being thoroughly investigated.

Mr. Pickersgill: Can the hon. lady say whether the department had any previous knowledge of the activities of this person before the recent incident arose?

Mrs. Fairclough: No, we had none, Mr. Speaker.

SHIPPING

COMPETITION FROM VESSELS OF COMMONWEALTH REGISTRY

On the orders of the day:

Mr. Hubert Badanai (Fort William): I should like to direct a question to the Minister of Transport. My question is based on reports that a Canada Steamship Lines vessel has been transferred to foreign registry, and that another ship of the Upper Lakes Shipping Company will also sail with a foreign flag at its mast. Can the minister indicate to the house whether the government intends to introduce legislation which would eliminate the unfair competition of commonwealth registered ships which are now permitted to carry goods between Canadian ports to the disadvantage of ships of Canadian registry?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I am looking into the matter at the present time. Further examination by my department is necessary. As I indicated previously, I expect to have something to say about shipping policy generally before this session ends.

TRANS-CANADA AIR LINES

PRAIRIE PROVINCES—INQUIRY AS TO INTERCITY SERVICE

On the orders of the day:

Mr. E. W. Brunsden (Medicine Hat): I should like to direct a question to the Minister of Transport arising from current reports that at an early date, possibly next week, a decision will be reached concerning the abandonment by Trans-Canada Air Lines of the prairie milk run. Will the minister give assurance that before any act of relinquishment by Trans-Canada Air Lines,

and the granting of a franchise to another carrier, public hearings will be held at which interested parties may attend? Will he tell the house when such hearings are to take place, and whether they will be held in the west?

Hon. Leon Balcer (Minister of Transport): There is no change in this situation. As I informed the house previously, public hearings will be held on this matter before a final decision is made. However, I am not yet in a position to say when these hearings will take place, but I can say that adequate notice will be given.

CANADIAN BROADCASTING CORPORATION

REPORTED RECRUITMENT OF PERSONNEL IN U.K.

On the orders of the day:

Mr. Walter Pitman (Peterborough): I should like to direct a question to the Minister of National Revenue. On March 23 I asked the minister if he would comment on reports that the C.B.C. was recruiting personnel in the United Kingdom. Has the minister yet received information from the C.B.C. with regard to that matter, especially in view of the continuing lay-offs of personnel in the field of private television?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I have been told that they have been recruiting architects and specialists for service in Canada. In view of the fact that there has been some need for additional personnel they have made inquiries with respect to the possibility of acquiring some outside of Canada, but I do not believe any action has been taken with respect to that matter at the present time.

ACADEMY AWARDS—PROTEST OVER DELAY IN NEWSCAST

On the orders of the day:

Mr. E. W. Brunsden (Medicine Hat): Mr. Speaker, may I address a question to the Minister of National Revenue.

Will the minister inquire from the Canadian Broadcasting Corporation why it places the future of Hollywood over that of the people of the North American continent? My question is based on the blackout of the C.B.C. news on Monday evening, the day following the anti-Castro landings in Cuba, which is an event that could seriously affect all of us. Instead of the news being televised, for several hours there was screened the awarding to several dozen voluptuous ladies—

[Mr. Brunsden.]

Mr. Speaker: Order. I do not know whether the hon. member has finished his speech, but so far I have not divined a question.

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I would think it was a compliment to the hon. member, because the C.B.C. assumed that he would be willing to sit up late to watch these voluptuous ladies and, having watched them, he would not mind sitting up even later to see the news.

HOUSING

N.H.A.—INQUIRY AS TO REDUCTION IN MORTGAGE RATE

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of Public Works. In view of the alleged statement by an official of the Central Mortgage and Housing Corporation to the effect that the differential between a National Housing Act insured loan and an uninsured conventional mortgage is outrageous, does the minister plan an early reduction in the N.H.A. rate?

Hon. D. J. Walker (Minister of Public Works): I do not recall any such statement, Mr. Speaker.

An hon. Member: Do you not read the newspapers?

Mr. W. M. Benidickson (Kenora-Rainy River): I have a supplementary question to ask the Minister of Public Works. Does the proposal announced by him yesterday permit the chartered banks to participate, in a back room kind of fashion, in housing mortgage lending in a way that has been denied recently by reason of the ceiling put on their lending rate?

Mr. Walker: No, Mr. Speaker.

[*Later:*]

Mr. Benidickson: Mr. Speaker, may I address a question to the Minister of Finance. Having regard to the statutory ceiling on interest rates for the chartered banks, and having regard to the announcement made yesterday by the Minister of Public Works with respect to secondary mortgage financing, does the Minister of Finance think it would be possible for the chartered banks to buy up old mortgages and take advantage of discounts which would give them an effective rate beyond 6 per cent, and avoid the existing statutory liability on banks with respect to mortgage lending?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I can draw no other inference than that this is the same question

that was put a moment ago by the hon. member to my colleague the Minister of Public Works, under a different disguise.

Mr. Benidickson: But you are the financial expert.

[*Later:*]

Mr. Benidickson: Mr. Speaker, May I ask a supplementary question of the Minister of Finance. If Central Mortgage and Housing Corporation is embarking on a project of peddling $750 million of mortgages at this time for the savings of the Canadian public, to what extent will this interfere with the opportunities normally available to the provinces, municipalities and industries which also have demands on the savings of Canada?

Mr. Fleming (Eglinton): Mr. Speaker, first I must draw your attention to the misapprehension under which the hon. member is labouring, as indicated by his question. It is not the intention of Central Mortgage and Housing Corporation to peddle the mortgages it holds at all. Where a proper market exists to absorb mortgages on reasonable terms then the corporation will be in a position to dispose of such mortgages as it chooses.

As to the latter part of the observation of the hon. member, I think I might say it is hoped that the mortgages being offered to a mortgage market will serve to attract into this area of investment money that does not normally flow into capital investment in the ordinary course, of the kind to which the hon. member refers. I do not think it is doing justice to the outlook for this country to assume that we have reached the end of our resources at all. The government is disposed to take a much more optimistic view of both the outlook for and the capacity of the Canadian capital market than evidently the hon. member does.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder whether I can ask the Minister of Finance a supplementary question. Would the minister assure the house that this is not an act of retaliation against Premier Roblin?

Mr. Speaker: Order. I do not think the hon. member seriously advances that question with the expectation of receiving factual information.

Mr. Fleming (Eglinton): I quite agree that it is not a proper question, Mr. Speaker, but I am concerned in the event that an imputation of that kind is left on the record without reply. I can only say that a question of that kind is so nonsensical as to deserve only the rebuke of the house.

Inquiries of the Ministry

INQUIRY AS TO PRESENT OUTLOOK

On the orders of the day:

Mr. W. G. Beech (York South): Mr. Speaker, I would like to direct a question to the Minister of Public Works. I wonder whether the minister could give us some information regarding the present housing outlook, and as to the present rate on limited dividend projects.

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, the rate of limited dividends is fixed by the borrowing rate of Central Mortgage and Housing Corporation and is presently 5⅜ per cent.

In connection with housing, housing starts in centres of 5,000 population and over numbered 13,200 to the end of March this year compared with 8,848 in the first quarter of 1960, an increase of 82.9 per cent. N.H.A. loan approvals for the first quarter of 1961 involved 12,355 dwelling units compared with 1,802 in this period last year, an increase of 585 per cent. In March alone N.H.A. approvals were higher than in March of any other year except 1958.

Requests for undertakings numbered 13,993 to the week ending April 7, compared with 2,388 in 1960. Commitments by approved lenders included in the total N.H.A., approvals were made for 5,674 dwellings compared with 1,780 in the first quarter of 1960. Loans for limited dividend housing were approved for 1,945 dwellings to April 7, 1961. This involved loans to the value of $15,611,000. In the same period last year 81 units were approved.

Hon. Paul Hellyer (Trinity): I am not sure whether the minister was answering a question, but in the event that he was perhaps I could pose a supplementary question. Does the minister have the figures for unsold houses at the present time as compared to a year ago?

Mr. Walker: No, Mr. Speaker, but probably the hon. member, who is in the business, would have better knowledge of that than I have.

Mr. McIlraith: He would undoubtedly have a much better idea.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO NUMBER DRAWING BENEFITS

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I should like to direct a question to the Minister of Labour. In order to complete the figures of the last release on the labour force, will the minister be kind enough to tell us the actual number of unemployed drawing unemployment insurance benefits?

Inquiries of the Ministry

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the release that has been made is complete. If the hon. member wishes to have any other information from the records of the unemployment insurance commission, I shall be glad to supply it if he will place his question on the order paper.

Mr. Hazen Argue (Assiniboia): I have a supplementary question to ask the Minister of Labour. I wonder whether the minister would care to comment on the dismal figures as far as general unemployment is concerned at this time, when there are 705,000 unemployed.

Mr. Speaker: Order. I think the hon. member is endeavouring to initiate a debate rather than to get information.

Mr. Argue: I should like to ask the minister whether he is prepared to comment on the figures that have just been released today. Can the minister say whether the government has any new proposal to deal with this very grave emergency?

Mr. Starr: If the hon. member refers to these figures as dismal, in his opinion, because they show a decrease in unemployment I can well understand—

Mr. Argue: The figure is 96,000 higher than it was last year.

Mr. Starr: This government realizes that the situation is serious. We have brought in measures—passed by this parliament and introduced in the budget at the end of last year—which we feel will bring about the desired result of supplying jobs for Canadians. This release shows a slight decrease in unemployment. We feel that is a great deal better than showing an increase. If that is a dismal aspect to the hon. member for Assiniboia, we are sorry to disappoint him.

Mr. Argue: The dismal part is in the figure being 96,000 higher than it was last year.

GRAIN

BARLEY—INQUIRY AS TO FINAL PAYMENT

On the orders of the day:

Mr. C. O. Cooper (Rosetown-Biggar): Mr. Speaker, on April 13 last I asked a question of the Minister of Agriculture regarding the barley payment. Has the minister anything to report with regard to the current payment on barley?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I have received a recommendation from the Canadian wheat board. When a government decision is made on the recommendation I will announce it to the house.

[Mr. Deschatelets.]

WATER RESOURCES

TRENT WATERWAY—STATEMENT AS TO MAINTENANCE OF WATER LEVELS

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, yesterday the hon. member for Peterborough asked a question concerning the water levels on the Trent waterway.

The question of regulation of water levels in the Trent system has been under study for several months. The precipitation this year has been low, resulting in a serious deficiency in the volume of storage; and as a matter of fact unless greater than average precipitation is experienced during the next few months it may be impossible to maintain full navigation levels on the Trent canal system.

It is considered that due to the low volume of storage in the reservoir system, no major changes in the method of regulation are likely to be made this year. The views of all interested parties will be requested and studied prior to any decision to change the existing method and schedule of water control.

Hon. Paul Hellyer (Trinity): A supplementary question, Mr. Speaker. Could the minister say whether representations have been made to Ontario hydro to reduce the power-making activity from those waters during the months of July and August in order to conserve them until the end of the tourist season? The waters could then be used during the later months of September and October.

Mr. Balcer: Not to my knowledge.

HEALTH AND WELFARE

INQUIRY AS TO STRONTIUM CONTENT OF FOODS

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare. Has the minister anything recent to report in regard to radiation in Canada and the strontium content of milk, cereal and other foods?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, the final quarterly report for 1960 in respect of this subject will be available very shortly, and I am sure the hon. member will find it interesting.

CUSTOMS TARIFF

The house resumed, from Monday, April 17, consideration of the motion of Mr. Fleming (Eglinton) for the second reading of Bill No. C-72, to amend the Customs Tariff.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, yesterday we heard the minister complain that in his opinion the decisions of the tariff board had done injury to the interests of Canadian producers in that their decisions had eroded the intention to give the necessary protection to those who were engaged in manufacturing in Canada as opposed to importing. I indicated that in my opinion the tariff board was in fact a judicial institution established by the parliament of Canada, and that to express dissatisfaction with the decisions of that board comes very close to being in contempt of court.

Mr. Speaker: Order. I am sorry to interrupt the hon. member, but I would ask that he be given the attention of the house. It is rather difficult to hear and I am sure it is difficult for him to talk with so many conversations going on.

Mr. Regier: I believe it would be much more responsible, if the government of the day is not happy with the decisions of the tariff board, to find ways and means of altering the responsibility of that board or by replacing its existing members. I believe it ill behooves us to permit individuals to remain in office while continuing to attack and criticize their decisions.

We are most unhappy with the legislation now before us, and we intend to continue to expose and oppose it. We believe the effect of this legislation will be to add to the cost of consumer goods in Canada, and we are more particularly concerned because we believe it is a means whereby the cost of production in Canada is going to be increased beyond the high levels that these costs have already attained. We believe that investment in equipment and machinery in our major fields of endeavour in Canada plays a very important role in respect of the cost level of our production. We would hate to see anything done which would add to the heavy investment burden that is necessary, in this modern world of today, to supply employment to the Canadian people.

We believe this legislation will do that. We believe it will add to the amount of investment capital required to provide employment for our people. I do not believe the government has paid adequate attention to the representations of Canadian entrepreneurs respecting this legislation. I can easily understand the position taken yesterday by the hon. member for Comox-Alberni, who is very closely associated with the major commercial enterprise in the Pacific west, namely the lumbering industry. At least this member of the House of Commons had read the submissions of such reputable organizations as the Vancouver board of trade and others in regard to this legislation. All he was doing was, to the best of his ability, defending the interests of Canadian producers. We feel that not only will the consumers of this country be hit by having to pay higher prices but our producers, and especially our exporters, will suffer if this legislation really becomes effective. We believe it will have an adverse effect upon our trading position with other nations.

We look upon this legislation as nothing less than a back door approach on the part of the Tories in office to a return to high tariffs. In my opinion it again underlines what I have said on other occasions, namely that in the field of tariffs at least the Tories are producing ample evidence to indicate that they have learned nothing since the days when they were last in office, the days of the hungry thirties.

The minister is pleading for the passage of this measure in order to provide employment in Canada. It is our contention that this measure, as well as other like measures that he has introduced in the past, is directly responsible for increasing unemployment in our nation. We do not provide employment for our people by ostracizing ourselves from the markets of the world, by raising our costs of production and by raising our tariff walls. In so far as the over-all picture is concerned, what we do may supply relief to individual concerns or individuals, but it will aggravate the very difficult economic situation that now faces us. What will happen is that it will add to the already growing ranks of the unemployed.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I rise to speak for just a few minutes and express some views on this legislation. I wish to point out at the beginning, as has been pointed out very ably on a number of occasions by the Minister of Finance in dealing with this matter in the house, that this proposed legislation is intended to relieve Canadian producers from unfair competition. It is not a device to give new protection to Canadian industry.

As we know, we have in Canada a customs tariff that has been established over the past 75 years by the various governments that have held office during that time. It is interesting to note that in the adjustments which have taken place in that tariff since this government took office, the number of specific items which have been reduced have outnumbered by quite a wide margin the number of items which have been increased.

So the opposition may not claim that I am urging higher tariffs in speaking on this measure, I should like to spend just a moment

to outline very briefly what I said on this matter when speaking to the Canadian Manufacturers' Association in Toronto on February 7. This is what I said:

> Some people say the government should give greater protection to industry by raising tariffs against imports. Those who make this suggestion should realize that those against whom they would have us raise tariffs are also our customers for the exports on which we rely so heavily for our economic well-being. They must also realize that one out of every four Canadians is employed in either producing for, or shipping to, the export market. Those countries, against which they would have us raise tariffs, would certainly retaliate by increasing tariffs against our exports. And, for every Canadian who would be helped by raising tariffs, there would be at least one Canadian hurt by tariffs being raised against the products we export.
>
> I think we must all realize that, if we are to continue to have high employment in Canada, we can only do so by industry producing products which will be competitive, and sell against competition.

These were the views I expressed on that occasion, and I have expressed them on numerous occasions since. They are still my views, Mr. Speaker.

The purpose of this legislation is simply to eliminate the loopholes in the act by which foreign producers can obtain an unfair advantage over their Canadian competitors, by making their products differ in some small technical detail. I think it is clear, Mr. Speaker, that there never was any intention in the minds of those who established our tariff during the past 75 years that this sort of tariff evasion should be possible. The unfair competition that has arisen by reason of these loopholes being there has had a detrimental effect on employment in Canada. I also think it is clear that if these anomalies are not removed, further deterioration in our employment picture will result.

The intent of the proposed changes is simply to give Canadian industry those levels of protection which previous parliaments intended. Again I say that our tariff was established, not by any one government, but by all governments that have held office during the past 75 years. Over the years, those governments intended that industry in Canada should be permitted to build up and prosper. It was for these reasons that certain tariffs were established. They have been agreed to by the various parliaments that have sat during this 75-year period. It was not the intention of the members who sat in this parliaments that those tariffs should be circumvented. The changes which are proposed in this legislation will greatly increase the incentive of Canadian producers to broaden the scope of their production and thereby increase employment.

The nagging opposition to this measure which has gone on in the eight days during which this measure has been before parliament, I believe, Mr. Speaker, is a clear indication of where the opposition stand on the question of providing jobs for their fellow Canadians. They obviously want foreign producers to have all the loopholes possible to get their products into Canada at unfair rates of duty and so take orders which should be providing jobs for Canadians.

Mr. Chevrier: Is that why your own members vote against it?

Mr. Hees: If the Minister of National Revenue does not have the power of decision as specified in this legislation, foreign exporters can continue to enjoy these unfair rates of duty for up to another two years, because appeals to the courts could easily take that long. By their action on this legislation, the opposition have made it clear that they are in favour of workers in such places as Manchester, Dusseldorf, Brussels, Turin, Toledo, Marseilles and all the other manufacturing centres of the world having jobs producing products which are needed in Canada, and which would otherwise be provided by Canadian workers. They are in favour of those jobs being held by workers in other countries.

During this session the opposition has concentrated on conjuring up the gloomiest possible outlook with respect to the Canadian economy. This false picture of doom and gloom has been doing a great deal of harm to industry and employment in Canada from the point of view of the picture that is painted of Canadian industry in countries abroad. During the past few months I have been in Great Britain, the United States, France and Switzerland, and in talking to businessmen in these countries I have been dismayed to learn of the very alarming picture that has been built up in their minds by members of the opposition speaking here in parliament with respect to conditions in Canada. When I asked them where they got these impressions they said they heard reports over the radio and read newspaper accounts of speeches that had been made by members of parliament, and they were shocked at what these speeches indicated as to the state of our economy. I have been told by businessmen in all these countries that this kind of propaganda is having a very serious adverse effect on businessmen who are contemplating the establishment of plants in Canada which would provide jobs for Canadians.

I think it is obvious to all of us from talking to people in this country that the same kind of effect has been created in the minds of Canadian businessmen. When people in Canada who would otherwise be building plants and expanding inventories hear about

the picture of gloom and doom that is being painted in parliament, they are alarmed and have a tendency to delay their plans and not do the things they had otherwise intended to do. By their opposition to this measure hon. members on the other side of the house in my opinion have made it very clear that they are in favour of providing jobs for workers in other countries rather than for their fellow Canadians, as this legislation seeks to do.

This legislation simply enables Canadian products to receive the kind of protection that was intended for them by the various parliaments that over the years have established the rates of duty. The people who established these tariffs did not intend that by means of a slight variation, or a small change, a producer in another country could get around the tariff and bring in his product, varying only in some slight degree from the Canadian product, at a very low tariff rate or free of duty.

As these foreign producers are able to do this they are taking away a very large market from Canadian producers, and our producers are not given the confidence they should have to go ahead and expand their production and range of products because they fear that some foreign manufacturer can produce something almost the same and compete unfairly with the product they are producing or would like to produce. The very clearly demonstrated opposition to the bill before the house at the present time has the effect of doing everything possible to deny the right to work to Canadian workmen who would otherwise have jobs in plants manufacturing products that should be produced in Canada, and will be produced provided legislation such as that now before us is passed.

Therefore, Mr. Speaker, I think it is about time the opposition took a realistic and objective look at what they are doing. The time is long overdue for them to adopt a responsible attitude toward the welfare of their fellow Canadians. I think they should stop doing what they have been doing for quite some time, namely trying to paint a picture of doom and gloom in order to create what they would consider a satisfactory picture in preparation for the next election, and get down to a realistic view of what is needed here in Canada.

What we as Canadians must all do is everything we can to make it possible for every Canadian to have a job. The opposition should not spend its time trying to hold up measures directed toward this end, because by so doing, they are doing everything they can in favour of producers in other countries and the provision of jobs for foreign workmen rather than for Canadian workmen. In my opinion it is about time the opposition took a realistic and objective view of what they are doing, and they should let this legislation pass. The legislation is designed solely to provide more jobs for Canadians, jobs to which they are entitled, and the opposition should allow the legislation to pass, so we can get on with the business of the country.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I had not intended to take part in the debate on second reading of this bill, because our position was made very clear in the contributions to the discussion made yesterday by members of the party, a discussion which the Minister of Trade and Commerce did not hear because he was not in the house when it took place and about which he has obviously not informed himself by reading *Hansard*.

However, we ought to be grateful to the Minister of Trade and Commerce for the patriotic lecture he gave the opposition in his contribution to the debate this afternoon. He put forward his mature and considered view of what our duty should be not only in respect of the bill now before us but in respect of our attitude toward the Canadian economy generally. He gave us his usual sermon, variations on an old theme, part of which he read from a memorandum which I take it was from the statement he made in Toronto yesterday on the same subject. He said that we on this side should not, in discussion of bills of this kind or, indeed, in the consideration of any economic question, indulge in criticism of the economy, or expose the weaknesses of government policy in respect of the serious problems facing that economy because if we do so we are indulging in doom and gloom.

The minister told us once again this afternoon that he has travelled throughout Europe, which is perfectly true, and throughout the United States, which is also perfectly true. He flies from one country to another these days. He told us that he has talked to businessmen in Zurich, Paris and London, which is perfectly true; he spends a great deal of time travelling in foreign parts and talking to foreign businessmen. He has repeated the statement this afternoon that wherever he goes he finds a viewpoint on the economic situation in Canada which has been determined in the minds of these foreign observers entirely by speeches by members of the opposition in the House of Commons.

Mr. Argue: They are all reading *Hansard*.

Mr. Pearson: Do these distinguished foreign businessmen never read the minister's speeches? Do they never listen to the Prime Minister of Canada in his broadcasts? Do they never listen to the Minister of Finance, who does his own travelling and his own

speaking these days? Oh, no; they have no confidence in these statements by members of the government. They understand the spokesmen for the government, and so they pay no attention to them; they get their views about Canada from the statements of the Liberal opposition. Could any greater compliment be paid to the influence of the Liberal party in the world today than to say that Canada is reflected in the minds of foreign businessmen by what we say in the House of Commons, not by what the minister says?

Unfortunately perhaps from the point of view of the government, Mr. Speaker, the minister may be right; because in this house we have never hesitated to point up problems, to produce solutions for those problems if we can, to expose the weaknesses of government policy, and to emphasize the difficulties which this country faces in the light of those weaknesses. That is our duty. Unfortunately, Mr. Speaker, in the discharge of that duty we have been shown to be accurate and correct in the statements we have made.

Mr. Pickersgill: And by government statistics.

Mr. Pearson: Yes, and by government statistics. This is in startling contrast to the kind of statements made by my hon. friends opposite when they deal in an exaggeratedly optimistic way with the situation in Canada.

However, I ought to be grateful to the Minister of Trade and Commerce for once more underlining the fact that our speeches in this house are those that really matter. The minister began his statement by saying that this was not in any way a protective measure. He first of all talked about freer trade, the historic policy of this country and the policy embodied in the tariff legislation which is now supported by both parties. He knows that in order to sell you have to buy. He does not want to do anything to increase the obstacles in the way of trade, and he says this bill does not do anything like that.

Having exhausted himself of this statement on the virtues of freer trade, he then went on to attack us for opposing this measure because we were preventing Canadian workmen from getting jobs and was giving those jobs to foreigners. We were preventing a bill from coming into effect which would, in fact, so he says, protect Canadian jobs.

The minister cannot have it both ways. The fact is, as the minister would have discovered if he had been here yesterday or if he had read *Hansard* this morning, that it is now quite clear that is not a measure which is concerned with jobs. We are attacking this measure particularly on two grounds; one, that it takes away from parliament, the tariff making power and two, and even more important, that it takes away from Canadians a right which they have had previously in this field, the right to appeal to the courts from a decision of the minister.

Mr. Speaker: Since these questions were disposed of by a vote of the house, I trust the hon. member does not intend to elaborate upon these two grounds.

Mr. Pearson: I will try not to do that, Mr. Speaker. The only point I am trying to make in answer to what the minister said when he tried to throw a smokescreen around the purpose of this bill is that the issue in regard to this bill is not employment, but is the transfer of arbitrary powers to the government of the day. The issue is the giving to the government of the day of powers which it has not had in the past, and including prevention of the people of Canada from appealing to the courts against the arbitrary exercise of these powers.

Mr. M. W. Martin (Timmins): It is not my intention to speak at any length on this particular issue. However, I believe there are one or two things that should be brought to the attention of the Minister of Trade and Commerce, and which he seems to have overlooked in his remarks today. One of the points that should be most obvious is the fact that those countries he listed, Britain, Germany, Italy and France, have not an unemployment problem as they move toward freer trade. There is no question of finding jobs for the people there; they have jobs now. It is in Canada that we have an unemployment problem, not in Europe.

Today we heard glowing words about the good turn in the unemployment situation. However, the fact that the decrease of 14,000 in general unemployment was matched by a 14,000 decrease in temporary employment was completely ignored. This means that the situation is just as bad as it was last month.

The minister has said that businessmen in other countries are shocked by the speeches of the members of this house. I should like to remind the minister that 206 of the 265 members of this house are Tories, and their speeches shock even us, let alone the people in Europe.

I do not believe I need to reiterate any of the reasons we have for opposing this legislation. This is a situation in which our actions speak louder than words. With this in mind I move, seconded by the hon. member for Peterborough (Mr. Pitman):

That the word "now" be left out and the words "this day six months" be added at the end of the question.

Hon. Lionel Chevrier (Laurier): I am prompted to rise, Mr. Speaker, because of the remarks the Minister of Trade and Commerce has made, and which were surprising enough in the light of what he said yesterday in Toronto. He repeated here some of the statements he made on the occasion of his address in that city, and they can be found in this morning's issue of the *Gazette* under the heading "Gloomsters Blamed For View of Canada". The article reads in part as follows:

> Canada is losing out because businessmen outside this country are receiving a distorted impression of her economy, trade minister Hees said last night.
>
> He said that "professional doomsters and gloomsters . . . are doing our economy great harm by painting the blackest possible picture on every occasion when they have an opportunity to speak in public."

I believe the Leader of the Opposition dealt satisfactorily with that part of the minister's remarks. However, I should like to put on the record certain statements which appear in this newspaper immediately below the report of the minister's remarks. The heading is "Worst Depression Since 30's", and the dateline is Washington. I quote:

> Five United States rail unions describe Canada's economy as "in the throes of the worst depression since the 1930's".
>
> The description was contained in a newsletter which the unions send out to "the shipping and travelling public".
>
> "In the United States," it says, "the unemployment rate is reaching the 7 per cent mark—a sorry record for the most industrialized nation in the world.
>
> "To the north, Canada is in the throes of the worst depression since the 1930's. Latest reports from Ottawa show 719,000 unemployed—

I believe that is now 705,000.

> —or 11.3 per cent of the work force.

It is now 11 per cent of the work force.

> According to the Canadian Labour Congress, the unemployment roles could reach a staggering 14 per cent."

The point that arises from that statement is this. It is not the speeches from this side of the house which have prompted the unions of the United States to make the statement they have made. The minister certainly will not impress anybody in the house—not even his own followers, I am sure, and certainly not the people of this country—by saying that if the economy of this country has reached a point wherein our affairs are on the decline or have been on the decline, it is owing to the manner in which this party has dealt with the economic situation. It is owing to the fiscal policies of the present government. Any attempt to state that this situation can be related to speeches that are made from this side of the house is certainly ridiculous.

The minister went on to say that the purpose of this measure is to provide jobs, and that those who oppose this measure are encouraging the workers of other countries. I am surprised that the minister would make a statement of that kind. I am sure he does not believe that to be the case.

Mr. Hees: Mr. Speaker, may I assure the hon. member for Laurier that I do very strongly believe that to be the case.

Mr. Chevrier: The minister now states that he does believe that to be the case. If that is so, then may I say that during the time that my hon. friends have been in office a number of Canadian corporations have established manufacturing and other businesses on the continent of Europe. What has the present government done to prevent them from doing so and to encourage them, by assisting secondary industry, to remain where they were and expand, as the government should have done? If the minister believes that the statement he has made is accurate, then he and those associated with him have done very little to assist secondary industry here.

There is no doubt, Mr. Speaker, but that this measure has one end in view, namely the transfer of arbitrary powers to the government. This measure has another end in view. It takes away the right of appeal from a decision of the minister.

Mr. Fleming (Eglinton): Order.

Mr. Chevrier: I realize that the Speaker has called other members to order for going beyond that simple statement. For that reason I shall not pursue the matter any further.

The Minister of Trade and Commerce says it is not a protective measure. May I say that it has all the earmarks of a protective measure. By some of the statements he has been making outside of this house the Minister of Trade and Commerce indicates that he is in favour of freer trade. Not so the Minister of Finance. The Minister of Finance had the opportunity on one occasion to consider a proposal from the United Kingdom having to do with freer trade. However, to use an expression he likes to use in this house, he turned his back on it and ran away from it just as fast as his legs could carry him. The minister will probably recognize that expression as one of his pet phrases.

Mr. Fleming (Eglinton): I do not recognize the allusion at all.

Mr. Chevrier: Then again, Mr. Speaker, a great deal has been said about O.E.C.D. by the Minister of Trade and Commerce and by the Minister of Finance. But what is being done by the government to meet these great

regional blocs which are being established and which have been established now for some time, and whose tariffs are being lowered? If some means are not taken forthwith in order to deal with that situation our trade and our economy will suffer.

I conclude by saying that this is a protective measure. I conclude by saying that this measure has but one end in view, and that is to take away from parliament a right which parliament should have—

Mr. Fleming (Eglinton): Order.

Mr. Chevrier: —namely the right of appeal to the courts from a decision of the minister.

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

Some hon. Members: Question.

The house divided on the amendment (Mr. Martin, Timmins) which was negatived on the following division:

YEAS

Messrs:

Argue
Badanai
Batten
Benidickson
Bourget
Bourque
Cardin
Caron
Carter
Chevrier
Crestohl
Denis
Deschatelets
Eudes
Fisher
Forgie
Godin
Granger
Habel
Hellyer
Leduc
Lessard
Macnaughton
McIlraith
McMillan
Martin (Timmins)
Meunier
Mitchell
Pearson
Peters
Pitman
Regier
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)—34.

NAYS

Messrs:

Aiken
Allmark
Anderson
Balcer
Baldwin
Barrington
Baskin
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Best
Bigg
Bissonnette
Bourbonnais
Bourdages
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Campeau
Cathers
Chambers
Charlton
Chown
Churchill
Clancy
Coates
Comtois
Cooper
Crouse
Danforth
Dinsdale
Doucett
Drouin
Drysdale
Dubois
English
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Royal)
Forbes
Fortin
Fulton
Gillet
Grafftey
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hamilton (York West)
Harkness
Hees
Henderson
Hicks
Hodgson
Horner (Acadia)
Howe
Jones
Jorgenson
Keays
Kennedy
Knowles
Korchinski
Kucherepa
Lambert
Legere
Lennard
Letourneau
Macdonnell
MacEwan
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacLellan
MacRae
McCleave
McFarlane
McGee
McGrath
McIntosh
McLennan
McPhillips
Mandziuk
Martineau
Martini
Matthews
Montgomery
More
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Murphy
Nielsen
Noble
Nowlan
O'Hurley
O'Leary
Ormiston
Pascoe
Payne
Phillips
Pigeon
Rapp
Regnier
Ricard
Richard (Kamouraska)
Robinson
Rogers
Simpson
Skoreyko
Slogan
Small
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Starr
Stearns
Stefanson
Stewart
Stinson
Tassé
Taylor
Thomas
Thompson
Thrasher
Tremblay
Villeneuve
Vivian
Webb
Webster
Weichel
White
Winkler—141.

Mr. Speaker: I declare the amendment lost.

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

YEAS

Messrs:

Aiken
Allmark
Anderson
Balcer
Baldwin
Barrington
Baskin
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Best
Bigg
Bissonnette
Bourbonnais
Bourdages
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Campeau
Cathers
Chambers
Charlton
Chown
Churchill
Clancy
Coates
Comtois
Cooper
Crouse
Danforth
Dinsdale
Doucett
Drouin

Drysdale
Dubois
English
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Royal)
Forbes
Fortin
Fulton
Gillet
Grafftey
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hamilton (York West)
Harkness
Hees
Henderson
Hicks
Hodgson
Horner (Acadia)
Howe
Jones
Jorgenson
Keays
Kennedy
Knowles
Korchinski
Kucherepa
Lambert
Legere
Lennard
Letourneau
Macdonnell
MacEwan
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacLellan
MacRae
McCleave
McFarlane
McGee
McGrath
McIntosh
McLennan
McPhillips
Mandziuk
Martineau
Martini
Matthews
Montgomery
More
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Murphy
Nielsen
Noble
Nowlan
O'Hurley
O'Leary
Ormiston
Pascoe
Payne
Phillips
Pigeon
Rapp
Regnier
Ricard
Richard (Kamouraska)
Robinson
Rogers
Simpson
Skoreyko
Slogan
Small
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Starr
Stearns
Stefanson
Stewart
Stinson
Tassé
Taylor
Thomas
Thompson
Thrasher
Tremblay
Villeneuve
Vivian
Webb
Webster
Weichel
White
Winkler—141.

NAYS

Messrs:

Argue
Badanai
Batten
Benidickson
Bourget
Bourque
Cardin
Caron
Carter
Chevrier
Crestohl
Denis
Deschatelets
Eudes
Fisher
Forgie
Godin
Granger
Habel
Hellyer
Leduc
Lessard
Macnaughton
McIlraith
McMillan
Martin (Timmins)
Meunier
Mitchell
Pearson
Peters
Pitman
Regier
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)—34.

Bill read the second time and the house went into committee thereon, Mr. Flynn in the chair.

Customs Tariff

On clause 1—*Goods deemed of class or kind made in Canada.*

Mr. Chevrier: Could I inquire of the minister whether the provisions of the Canadian bill of rights and the regulations incidental thereto have been given effect in so far as clause 1 of this bill is concerned?

Mr. Fleming (Eglinton): There is nothing in this bill that runs counter in any respect to the bill of rights.

Mr. Chevrier: I should like to draw to the attention of the committee the regulations concerning the Canadian bill of rights, which are to be found in P.C. 1960-1972, which reads:

> Regulations respecting the examination of bills and proposed regulations pursuant to section 3 of the Canadian bill of rights.
>
> 1. These regulations may be cited as the Canadian bill of rights examination regulations.
>
> 2. In these regulations, "minister" means the Minister of Justice.

I should like to draw clause 3 of the regulations to the attention of the minister. It reads:

> 3. In the case of every bill introduced in or presented to the House of Commons the minister shall, forthwith upon receipt of two copies of the bill from the Clerk of the House of Commons,
>
> (a) examine the bill in order to determine whether any of the provisions thereof are inconsistent with the purposes and provisions of the Canadian bill of rights; and
>
> (b) cause to be affixed to each of the copies thereof so received from the Clerk of the House of Commons a certificate, in a form approved by the minister and signed by the deputy minister of justice, stating that the bill has been examined as required by the Canadian bill of rights.

Now, I repeat my question in respect of (a). Has an examination been made of the bill in order to determine whether any of the provisions thereof are inconsistent with the purposes and the provisions of the bill of rights?

Mr. Fleming (Eglinton): Yes, Mr. Chairman, the terms of the bill of rights have been fully complied with and the procedures prescribed by the order in council passed in pursuance of the bill of rights have been fully complied with.

Mr. Chevrier: That is not the answer which the minister gave me in the first instance. The minister indicated another answer which was somewhat inconsistent with that which he has now given.

Mr. Fleming (Eglinton): Not at all.

Mr. Chevrier: Well, now, the next question which I am prompted to ask is covered by the (b) part of clause 3, which reads:

> The minister shall cause to be affixed to each of the copies thereof so received from the Clerk of the House of Commons a certificate, in a form approved by the minister and signed by the deputy

minister of justice, stating that the bill has been examined as required by the Canadian Bill of Rights.

Has that certificate been affixed to the bill?

Mr. Fleming (Eglinton): I am informed that that has been done and I repeat that the procedures prescribed by the bill and the order in council have been followed.

Mr. Chevrier: I thought I understood the Minister of Justice to say that as far as he knew this had been done. Perhaps I misunderstood him.

Mr. Fulton: I made no answer; I was advising my colleague.

Mr. Chevrier: I may have been mistaken. Then I address the question to the Minister of Justice and ask him whether a certificate such as that prescribed in clause 3(b) of the regulations concerning the bill of rights has been appended to the bill now under consideration? If so, can we see this certificate so that the committee will be in possession of it, as I think it is entitled to be?

Mr. Fulton: Mr. Chairman, the procedure read by the hon. member was worked out in my department with the greatest care and discussed with the Speaker of the house. I have every confidence that the procedure was carried out. If my hon. friend wishes to see the certificate, may I say the certificate itself, as I understand it, is in the possession of the Clerk of the house. I have no control over the certificate from that point on.

Mr. Chevrier: May I ask the minister who is piloting this legislation through the house to let the committee see this certificate. The Minister of Justice says he has every reason to believe that the terms of these regulations were carried out and I am not contesting his statement, but I think the committee is entitled to see it.

Mr. Fulton: The point I made, Mr. Chairman, is that the certificate is attached to the bill which is returned to the Clerk of the house and that certificate would therefore be in the possession of the Clerk. It is not any longer in the control or disposition of the government as such.

Mr. Chevrier: The minister whose department is responsible for this surely should be in a position to tell us whether the certificate is attached to the bill and that ought to be the end of it.

Mr. Fulton: Of course, Mr. Chairman, I can go and get from the department what I think should be obvious, namely a statement that they did in fact comply with the regulations concerning the matter. I said I had every confidence that that was done, but I have not checked on this particular bill. I will check personally, if my hon. friend wishes me to do it, and come back and say to the committee that we have complied with the act and the regulations. I shall be glad to do so, but I still point out that the actual certificate itself, being attached to the bill which has been returned to the Clerk of the house, is no longer in our possession but is in the custody of the Clerk.

Mr. Chevrier: I think the committee would appreciate it if the minister would inquire, as ministers have done from time to time, in the passage of their estimates. I think the committee would appreciate it if the minister would inquire and find out whether the certificate is attached to the bill.

Mr. Fulton: I will not be able to say whether the certificate is now attached because physically it is not in our possession. But I will find out whether in fact the certificate was attached, or whether certificates were attached to the two copies which were returned to the Clerk certifying that the bill had been examined as, of course, I am confident that it was. I will get that information and bring it in.

Mr. Regier: Mr. Chairman, there is a particular aspect of clause 1 that in my opinion is rather impractical and unrealistic. I have reference to paragraph (b) of subsection 1 of the new section 2A, which reads as follows:

> (b) in the case of goods custom made to specifications, adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time.

I also have reference to paragraph (b) of subsection 3, which reads as follows:

> (b) whether goods are custom made to specifications, and whether adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time.

I do not believe that a Canadian manufacturer or anyone else wishing to obtain certain goods custom made to specifications should have to satisfy the government that every effort has been made to inquire throughout Canada whether or not some Canadian manufacturer may have the facilities to produce or desire to produce this particular article within a reasonable period of time and at a price level that could be considered economic. Especially in this day and age of automation when industrialists are continually looking into ways and means of installing new machinery, much of it of a highly technical nature, I think it is far too great an imposition to have to satisfy the minister that every effort has been made to find someone in Canada interested enough to offer to manufacture the particular article.

I have no particular quarrel with the legislation as it deals with articles of a class or kind that are being made in Canada but I think we are going much too far and will handicap continuing technological development in Canadian industry if it is insisted that the government has a right to ask that evidence be produced indicating that no one in Canada is prepared or able to manufacture the particular article at an economic level and within a reasonable period of time. Therefore I should like to move an amendment at this time. While it is somewhat technical in that it changes the punctuation, its effect is to remove from clause 1, new section 2A, the whole of paragraph (b) of subsection 1 and the whole of paragraph (b) of subsection 3. Therefore I move:

That this Bill C-72, entitled "An act to amend the Customs Tariff", be amended by changing the semi-colon in clause (a) of subsection 1, section 1, to a period, and eliminating the immediately following word "and", and by removing the entire immediately following clause (b) and also in changing the comma in clause (a) of subsection 3 of said section 1 to a period, and eliminating the word "and" in this clause, and by eliminating entirely the whole of clause (b) of said subsection 3.

For purposes of clarification, may I repeat that if hon. members will look at the first page of Bill No. C-72 they will see that the amendment calls for the removal of the two paragraphs (b) on that page.

Mr. Fulton: Before you put the amendment, Mr. Chairman, may I give the information requested by the hon. member for Laurier. I have made inquiries and am informed that the bill was in fact examined as called for by the regulations under the bill of rights. The clerks at the table have been good enough to send me a copy of Bill No. C-72 with the certification called for under the regulations signed by the deputy minister of justice, and I shall ask that it be sent across to the hon. member for Laurier. May I remind him that it is in the custody of the house through the Clerk and should be returned to the table. I should perhaps emphasize that if in the course of the examination in my department it were ascertained there was some provision of the bill not consistent with the provisions and principles of the bill of rights it would then have been my duty so to report. We have worked out this procedure with Mr. Speaker under which certification is given, and it should therefore always be assumed that in the absence of a report from the Minister of Justice there is in my opinion and the opinion of my department no inconsistency between the measure in question and the bill of rights.

Mr. Chevrier: I thank the minister for this information.

Mr. Fleming (Eglinton): Perhaps I might say a word concerning the amendment moved by the hon. member for Burnaby-Coquitlam.

The Chairman: If there is no comment about the regularity of the amendment I should like to put it first.

Mr. Benidickson: Mr. Chairman, I think the mover of the amendment, inasmuch as we have just received it, is obligated to explain in more detail what its effect is. I am sure he is prepared to do so for the benefit of the committee.

Mr. Regier: I made an effort to do so before but perhaps I can enlarge a little. It is my contention that the minister should not preside as a judge on a number of indefinite matters that are referred to in the bill. Let us assume that I operate an enterprise and I want to buy an additional piece of machinery. Under the terms of the bill, if that class or kind of machinery, or approximately the same class or kind, is not being manufactured in Canada I have the right to import it at a reduced rate of tariff. However, if it is a made-to-specification piece of machinery then under the terms of the bill I have to satisfy the minister first that it cannot be manufactured in Canada. I believe this is an imposition on Canadian industry.

I do not think the minister would want to be in the position of having to explore all over Canada the possibilities of whether or not somebody might be prepared to undertake the manufacture of this custom made article. I believe this is a handicap to expansion and efficiency in Canadian industrial production. In my opinion great delay might be involved which could mean considerable expense to Canadian enterprises. Who is to decide what is a reasonable period of time? I also believe the present provision could lead to misuse. Someone operating a little machine shop employing three or four men and who possibly was politically influential could claim that he was able to manufacture the article in question and he would keep running to the minister to use his influence to ensure that the order was given to him.

I feel that a new principle is being introduced into the Customs Tariff and that we would be much wiser if we left it out entirely. As I said before, I can see merit in an increase in tariffs on imported goods if such goods are actually being manufactured in Canada. However, to increase the tariff or to potentially increase the tariff because there may be someone who may decide that he wants to manufacture a certain article, within a

reasonable period of time, is going too far and will hurt Canadian industry much more than it will help it.

Mr. Fleming (Eglinton): The purport of this amendment should be clearly understood. The scheme of the bill, the bulk of which is contained in clause 1 now under debate, is to divide goods into two classes. The first class is shelf goods and the second is goods custom made according to specifications. The criteria laid down in the bill to assist in the determination of whether particular goods are of a class or kind made in Canada are different in the two cases because there is such a difference in the nature of the goods themselves.

This amendment would have the effect of eliminating from the provisions of the bill what is now provided in relation to that one class, namely goods custom made according to specifications. The amendment would confine the criteria in the bill entirely to shelf goods. I think that point should be clearly understood.

Now, the hon. member shows great solicitude for Canadian industry. He does not want them to be bothered gathering information or bringing forward knowledge in relation to whether or not the goods in question can be produced economically within a reasonable period of time. All I have to say is that Canadian industry is not making that kind of complaint or criticism. The expressions of Canadian industry have been to the effect that, at long last, some of the benefits they enjoyed in this regard up until what I have called the decade of erosion are going to be restored to them.

What is the great burden that is alleged by the hon. member to be laid upon Canadian industry? I suggest, Mr. Chairman, that Canadian industry will not be retarded technologically in this regard as the hon. member for Burnaby-Coquitlam so erroneously concludes. The fact, which is apparent to all other hon. members of the committee, is that if this measure is adopted it will greatly assist the technological development of Canadian industry. It will give Canadians employment. It will certainly aid in developing productive Canadian enterprise.

Mr. Regier: The minister says this measure will aid Canadian employment. I hinted before that it is my conviction this is going to hinder Canadian employment and add to Canadian unemployment. The minister is attempting, by this paragraph (b), to impose a duty on goods that are not now being made in Canada. I believe this adds needlessly to the cost of production and eventually adds needlessly to consumer costs in Canada. Not only is the minister continuing to attempt to raise a tariff wall against commodities imported into Canada that are being made in Canada now, but he is attempting to erect tariff barriers against articles that are not now being manufactured in Canada.

The effect of this measure will not be to cause Canadian factories to be built. If anything, this provision is going to hinder existing Canadian factories from improving there means of production. A lot of this machinery is very expensive machinery. There is a lot of money involved here. Some of the machinery is of a highly technical nature. I do not see Canadian industry becoming particularly involved in the manufacture of these goods. Even if they were, I think it is most unwise for the Canadian House of Commons to begin imposing tariff walls against goods, ostensibly for the protection of goods Canada hopes may some day be manufactured here.

Let us wait until the goods are being manufactured in Canada before we decide whether or not they need protection against imports. Let us not erect tariff barriers before the goods are actually being made.

Mr. Fleming (Eglinton): The key words in the remarks just made by the hon. member are, "Let us wait". These words make a good summary of his approach to this matter. It does not matter that, in the meantime, Canadian producers have been deprived of what they possessed before under this legislation up until a decade ago. It does not matter that the jobs of Canadian workmen are involved. The hon. member says, "Let us wait". He says, let us wait, notwithstanding the fact that this legislation requires, before goods of this nature can be ruled to be of a class or kind made in Canada, that adequate facilities must exist in Canada for the economic production of such goods within a reasonable period of time. The hon. member says, do not pay any attention to the fact that the facilities are all here. It does not matter that Canadians can manufacture these goods on an economic basis within a reasonable period of time. So long as these specific goods, these identical goods, have not been manufactured yet in Canada, then there may not be any provision here for the assistance of the Canadian producer or Canadian workman.

This is just the sort of thing that has eroded the benefits of this legislation in the past. We are brought right back, by this stand, to the case of the power shovel. There had been a 2-yard shovel made in Canada and all the facilities existed in Canada for the manufacture of power shovels with a 2½-yard capacity. However, because no shovels with a 2½-yard capacity had actually been manufactured up to that point, it was ruled then that a 2½-yard shovel was of

a class or kind not made in Canada. This provision is intended to end the nonsense of that kind of interpretation. As long as the facilities exist in Canada for the production of such goods on an economic basis, not on some far fetched or fantastic basis but on an economic basis, and not at some far distant time in the future but within a reasonable period of time under all the circumstances having regard to the custom and usage of the trade in such cases, we say the goods should be ruled to be of a class or kind made in Canada. It is quite obvious that if they were of the kind being made now they would probably be shelf goods anyway. The provision which the hon. member wishes to strike out applies only in the case of goods that are made according to specifications.

Mr. McIlraith: There seems to be a good portion of the minister's remarks that is not relevant to the amendment and therefore tends to confuse the issue rather than clarify it. Frankly, I find it difficult enough to understand without any confusion being added. I do not believe the minister should be permitted to get away with what I consider to be a misrepresentation of the power shovel case.

The minister says, as a matter of fact, that facilities existed in Canada for the production of a 2½-yard shovel, if I understood him correctly. The facts are that five years elapsed between the time that judgment was given and the time that the first 2½-yard shovel was produced in Canada. The cost of providing the facilities to produce the 2½-yard shovel—I have not the figure conveniently at hand—was a million dollars. These are the facts. I should not like anyone reading *Hansard* or the members of the committee to believe that facilities existed in Canada in that case because that is not in accordance with the findings of the tariff appeal board which dealt with this matter.

Perhaps we are now getting at the nub of why there is to be no appeal in these cases. The minister makes a finding of fact here by way of assertion that is very different from the finding of fact given by those who had the case before them and all the information surrounding it.

Mr. Nowlan: There is a special section dealing with appeals, as the chairman will know. I do not think I will speak on the matter of appeals at the moment, but I certainly will have something to say about it later on when we reach that subclause.

Mr. Benidickson: In introducing this bill on second reading yesterday the Minister of Finance, while he repeated some remarks he had made on December 20 and in the subsequent debate that took place in the committee of ways and means on February 2, 3, 4, 15 and 27 and March 2, introduced a fair amount that was new. He did not in detail introduce the items that are referred to in *Hansard* of April 17th. I suggest that in large part, by throwing dust into their eyes, he was attempting to convince his mass of supporters in this house that they should support this kind of legislation.

One of the bases of our controversy here with regard to this legislation is whether or not this bill is restoring historic interpretation or whether or not we are going back to the interpretation that was acceptable to the Bennett administration of 1930. In this context I want to go back to an origin that is not the origin to which the Minister of Finance referred yesterday, namely 1873. I want to go back to the origin of a Conservative administration under Sir John A. Macdonald when the minister of finance was Mr. Foster. On that occasion he made clear the reason for the kind of tariff distinction about which we are concerned here. At what time Mr. Foster indicated that for the advancement of the manufacturing industry of this country it was important that they obtain at the lowest possible price the essential elements related to their business and these of course included machinery. I refer to the budget speech of 1890 when Hon. George E. Foster—and he was not a Liberal—said this as found in *Hansard* of that period. His remarks are to be found in the budget presentation at page 2550 of *Hansard* of March 27, 1890:

> It is stated that the best and most improved machinery must be used by experimenters who put their money into enterprises the outcome of which they cannot certainly see. It is felt by them that the very best possible machinery should be got. It is felt by some that for a period at least there should be no restriction whatever on the buying of it, and by others, that there should be no other restriction than that imposed by the consideration whether or not the machinery is made in this country. Looking over the whole question, the government—

That is the government of that day, as long ago as 1890.

> —have come to the conclusion that it will not be wise or prudent to resist this demand at the present time, in the interests of the development of that large part of the country's resources, and it is proposed—

That is in the budget of 1890.

> —to allow mining machinery of a class and kind which is not made in Canada at the time of the importation—

That is essential. That is the difference between the legislation we have here now and the concept of "made in Canada" that has been traditional, not made in Canada at this time.

—to be imported into this country free for the period of three years and no longer.

That was the inception of this important element in the tariff structure that had a great deal to do with the impetus given to secondary industry to get going in Canada. On the amendment before us, Mr. Chairman, I am particularly concerned about statements that have been made by the Minister of Finance when he says that no rate change of tariff is involved in the legislation before us.

Mr. Fleming (Eglinton): What I said, if the hon. member will be good enough to quote me accurately was that there is no change in any tariff rate created by this bill.

Mr. Benidickson: The Minister of Finance says to me at this moment that this legislation involves no change in rate with respect to tariff items.

Mr. Fleming (Eglinton): I said it involves no change in the rate of any tariff item.

Mr. Benidickson: That is correct. I assert as I said yesterday, notwithstanding this technical sophistry of the Minister of Finance, that in its effect there will be increased costs to manufacturers in this country, to importers who want to compete on the basis of machinery they want to import, that are of import to the extent of thousands of dollars of excess taxes involved in the legislation that is here. The decision is going to be made by the minister and it is going to be made without appeal. I say that this is going to prejudice these manufacturing importers to a very great extent from here on.

In addition to that, we know that the Minister of Finance who has just interrupted has said that there is no change in the actual figures put in the Customs Tariff. There is not anybody who does business internationally through tariffs who does not know that there are two kinds of imposts with respect to tariffs. There is the rate that parliament has been given to decide upon in amendments to the Customs Tariff. But here is the big thing that divides a Liberal and a Conservative, namely the difference between administrative protection as administered in the department by the minister. If one will look at the recent tariff appeals, one will find that fairly regularly officials of the Department of National Revenue have been more protective in their outlook and in their decisions than has been the tariff board or the exchequer court or the supreme court in times when the tariff board, or the exchequer court or the supreme court had a chance to consider some of these matters that parliament had decided upon.

In other words, we have ministerial decision here. I suggest to the committee that this is a serious matter, because it involves something more than the rates about which the minister talks. We are here dealing with an opportunity for ministerial discretion. This will enlarge that which is feared most by our exporters, our traders through GATT, our consumers and other people, namely, the invisible tariff.

The invisible tariff is the tariff created by bureaucrats, the tariff that is created by obstacles and road blocks, the kind of thing to which we object when we try to export to our principal customer, the United States. I say that this is clandestine protection. This is a matter that is sometimes more important than the technical definitions in the clauses of the Customs Tariff.

I said yesterday that Khrushchev might laugh when he sees these provisions. I did not add that I do not think the Minister of National Revenue wants to be a dictator. I have sat with him for a long time in this house. I do not think that is his desire.

Mr. Nowlan: I resented the fact that you called me single, when I have 14 grandchildren.

Mr. Benidickson: I really believe that the Minister of National Revenue wants to be a democrat. I have heard the minister speak in opposition. I thought he wanted the preservation of parliamentary rights. That is why I objected to the fact that the Minister of Finance boasted that, after long debate, not a word was changed in the bill that is now before us, from the wording contained in the resolutions proposed in the budget.

I do not think the Minister of National Revenue really wants these powers. I do not think he is that kind of man. When the government is going to change very shortly, I do not think he really wants to give those powers to his successors.

Mr. Bell (Carleton): You are living in a dream world now.

Mr. Benidickson: I say to the minister that I think the administration has been careless in the drafting of this power. Because they have behind them 204 supporters they have too much pride to back down and do something that is reasonable, just, and which should be done.

I am quite confident that on reflection of the debate at the resolution stage and at the stage of second reading the ministry is ashamed, having regard to what the leader of this ministry has said in times gone by as to the rights of a democratic parliament, that they have inserted this ministerial, autocratic right in this bill.

As I say I may have gone a little far yesterday in equating the Minister of National Revenue with Khrushchev, but I repeat—

Mr. Nowlan: I appreciate the compliment.

Mr. Benidickson: —that Khrushchev will perhaps have occasion to smile when he finds that in a democracy the Minister of National Revenue has these autocratic powers.

The Chairman: Shall the amendment carry?

Some hon. Members: No.

The Chairman: All those in favour of the amendment will please rise.

Mr. Benidickson: No, Mr. Chairman. I have not a right, of course, to speak. The hon. member for Ottawa West will perhaps—

Mr. Fleming (Eglinton): We are taking a vote.

Mr. Benidickson: No.

Mr. McIlraith: On a point of order, Mr. Chairman, I wish to address myself to the amendment.

Mr. Fleming (Eglinton): On a point of order, Mr. Chairman, we are taking a vote.

The Chairman: A vote was called. If there is unanimous consent—

Mr. Benidickson: There is not unanimous consent, and in connection with this particular debate—

Some hon. Members: Order.

Mr. Benidickson: I am speaking to the point of order.

Some hon. Members: Sit down.

The Chairman: Order. The position is that the vote was called and I said that if there were unanimous consent to revert to the debate on the amendment, I had no objection. However, as the hon. member said, there is not unanimous consent.

Mr. McIlraith: Mr. Chairman, am I to understand your ruling to be that—

Some hon. Members: Order.

Mr. McIlraith: —the vote was under way and I am not permitted to speak, because on a point of order I would respectfully suggest that the question had not been put in the sense in which the rules contemplate and had not gone far enough. You had undoubtedly started to call the vote—

The Chairman: Order. This is purely a question of fact. If I remember correctly, I said, "Shall the amendment carry?" Some hon. members said, "No". I then said, "All those in favour of the amendment will please rise", and some hon. members did rise. It was only after some hon. members had risen that the hon. member for Ottawa West rose.

Therefore I think it is a question of fact as to whether or not the vote had already been called. I will call it again. All those in favour—

Mr. Benidickson: On the point of order, Mr. Chairman, may I refer you to an issue which arose yesterday with respect to this bill. A decision had been given by the Chair on second reading. That decision was given by the Speaker of this house. The Minister of Finance rose after the decision had been given—and he was afforded complete courtesy on this side of the house—to move an amending criticism of the Speaker's ruling which, as far as I know in 15 years' experience in the house, has never before been done.

Mr. Fleming (Eglinton): Nonsense. We are taking a vote.

Mr. Benidickson: I am sure that as this is five o'clock and we are approaching private members' hour—

Some hon. Members: Sit down.

Mr. Benidickson: —the Chairman would not want to advance the—

The Chairman: Order. I see no relation between the incident to which the hon. member alluded and the position today.

There is a situation of fact involved. I have given my decision. I have allowed the hon. member to comment further, but I do not think he has advanced any reason why I should change my decision. Therefore I ask those in favour of the amendment to please rise.

Mr. Benidickson: Five o'clock.

Amendment (Mr. Regier) negatived: Yeas, 8; nays, 51.

[*During the taking of the vote:*]

Mr. Benidickson: Five o'clock. Pipe line. Closure.

[*After the taking of the vote:*]

The Chairman: Order. I declare the amendment lost. It being five o'clock, it is my duty to leave the chair in order to permit the house to proceed to consideration of private and public bills.

Progress reported.

Mr. Speaker: Order. It being five o'clock, the house will now proceed to consider

private and public bills, the former having precedence, pursuant to section 3 of standing order 15.

PRIVATE BILLS

AURORA PIPE LINE COMPANY

The house resumed from Tuesday, March 28, consideration in committee of Bill No. S-2, to incorporate Aurora Pipe Line Company—Mr. Woolliams—Mr. Flynn in the chair.

On clause 1—*Incorporation.*

Mr. Broome: Mr. Chairman, I am rather surprised by this bill being brought on for debate today. My recollection is that the hon. member for Bow River, who sponsored the bill, stated the last time this bill was debated that he was willing to answer any questions put by hon. members. I then posed three or four questions which he accepted and indicated he would forward to his principal and, in due course, present the answers to this committee. That hon. member is not here today and, therefore, cannot be blamed for not giving those answers for which I have asked. I feel the questions I asked are deserving of answers.

Mr. Horner (Acadia): The questions were answered when you were not here.

Mr. Broome: We are now in committee and I will yield the floor to the hon. member if he can supply the answers. So far we have not received answers which would satisfy me at all except that which I feel is a reiteration of a lot of nonsense. When we expressed some concern in regard to the share structure of this company we were told to be quiet because we were not from Alberta. If the hon. member has something to contribute to this debate I will allow him to go ahead.

Mr. Horner (Acadia): The hon. member for Vancouver—

Mr. Broome: South.

Mr. Horner (Acadia): —South, presented some questions, to which the hon. member for Bow River said he would endeavour to obtain answers. On at least two occasions the hon. member for Winnipeg South placed on the record the answers to the questions which the hon. member for Vancouver South raised, but he was not here. That was all I wanted to point out. The hon. member may refer to my remarks in any way he likes and I could perhaps do the same but will allow him to continue now.

Mr. Broome: I thank the hon. gentleman. He is very kind. I have read every word of the debate on this bill but have not seen the answers to the questions which I asked. If the hon. gentleman will check the questions I asked, as they appear in *Hansard*, he will perhaps then see that what he has now said is incorrect.

I cannot repeat in the same words the questions I asked but I suggest they have to do with the ownership of the parent company, Hudson's Bay Oil and Gas Company Limited, and specifically in regard to the percentage of stock held by the public which the committee was led to believe had been offered by the company to the Canadian public. That is just not correct. The rights to purchase shares were given to individual shareholders of the Continental Oil Company and the Hudson's Bay Company. I asked how many shareholders in Hudson's Bay Oil and Gas Company Limited were resident in Canada—not Canadian nationals—and how many shares these residents owned. I feel that is a rather easy question to answer because the records of the companies would show this. As far as I am aware this answer has not been given. That was one item in which I was interested. The other item I queried had to do with the supervisory personnel of the company.

I do not want to be accused of believing in a narrow nationalism or of being a person who is trying to throttle the development of this country but I would suggest that I have knowledge regarding this industry which is not matched by that of any other single member with the exception perhaps of the hon. member for Calgary South. I refer, of course, to the operation of that industry.

Mr. Horner (Acadia): What do you want us to do, pat you on the back?

Mr. Broome: Have you a question?

Mr. Horner (Acadia): You asked me to give you the answer.

Mr. Broome: If the hon. member has a question and will stand up in his place and ask it, instead of talking from his seat, I will be prepared to listen to him.

Mr. Benidickson: I am a friend of yours and will not challenge that boast.

The Chairman: Order.

Mr. Broome: When I asked the questions in a previous debate I said I would not participate again in the debate at the committee stage. However, these questions have not been answered and I am not prepared to have the committee give approval to this bill until the answers are given. Quite frankly, as I have said before, because of the conditions set out by the sponsor and co-sponsor of the bill, I propose to vote against it. If a vote is called for and recorded on third reading I will vote against it then. I have said this before and now repeat it because the

sponsoring company has not taken into account the change in climate in this country regarding the development and use of our natural resources.

I welcome capital from the United States, Britain, Switzerland and every other country in the world but that capital must be used in partnership with Canadian capital. No matter what development takes place, if there are technically trained Canadians capable of holding the jobs, we do not have to bring in anyone to do the jobs in this country, with the exception, of course, of those individuals who have skills not possessed by men available here. What I am saying may sound like nonsense but I have been informed by Mr. Kerr, president of Trans-Canada Pipe Lines Limited, with whom I spent an afternoon, that because of the present policy of developing Canadian understudies to executive personnel the company would be within the space of a year, 100 per cent managed by Canadians. He also informed me that the purchasing policy of that company had changed in that the company was giving preference to Canadian suppliers.

Mr. Benidickson: Are you referring to Trans-Canada Pipe Lines Limited?

Mr. Broome: Yes, and I was showing, by its present operation—not its previous operation under Mr. Tanner and Mr. Coates—what can be done. I happen to know that the Trans Mountain Oil Pipe Line Company built a pipe line through the most difficult terrain in the world and that company from inception was 100 per cent Canadian.

I have been referring to a number of matters of national import, which override the sectional problems which exist in Alberta, and in respect of which I feel answers should be forthcoming. Natural resources, although under the control of the provinces, belong to the people of Canada as a whole and I feel that the development of these resources must take place having some regard to the Canadian people as a whole.

According to a news item in the *Financial Post,* Interprovincial Pipe Line is quite prepared to run a line down to Chicago to serve that area with condensates. There are alternative means of allowing this modest amount of 11,000 barrels of condensates per day to reach markets, but some in this house take the attitude "grab it all and fast, we might not have a chance tomorrow." Well, our resources are too valuable and—

Mr. Horner (Acadia): Like the coal.

Mr. Broome:—too important to be bartered away in that fashion.

If the Hudson's Bay Oil and Gas Company had wanted to really show that they were trying to operate in a manner which was for the over-all good of this country, and for the over-all good of the company as well, they would have seen to it that part of the ownership of that company was vested in Canada through the stock market, through the offering of shares across Canada.

Do not tell me that Canadians are not willing to risk their money in ventures such as this. This is the old bogey that has been thrown around altogether too long. When the shares of Alberta Natural Gas came on the market brokers right across Canada said they would have to ration the shares. Likewise Alberta Gas Trunk Lines which is a model of financing and a model operation. Certainly they would not handle matters in the way that is proposed for this puppet company or for the parent company. This is the way these developments should be handled; this is the way the financing should be handled. It could be done and it has been done.

There is actually a dearth of opportunity for Canadian capital to invest in the development of Canadian resources. There are not enough places, not enough avenues for Canadian risk capital, and I am no capitalist. All my life I have worked for a salary. I will not be able to take advantage of any of these opportunities except perhaps in a most modest way, if at all. But as long as these developments are offered to the people of Canada, then we have a Canadian outlook in the operation of that company, and this is an outlook we cannot get in any other way. We cannot get it through lip service, by having half of the directors Canadian and the other half representing United States ownership, with a Canadian as chairman, because the control of the company is not in this country and perforce the directors will be simply rubber stamps for the directors of the parent company. In this instance the parent company happens to be Continental Oil Company because they have 67 per cent to 68 per cent of the shares of Hudson's Bay Oil and Gas, which in turn owns in its entirety Aurora Pipe Line.

I am not going to labour the points which have been pressed in this committee before with regard to capitalization stretching into millions to build half a mile of pipe line. The testimony in regard to this particular phase of the operation has been gone over in this committee time and time again. But it would be well for hon. members to read the testimony given to the standing committee and try to find out exactly what is being attempted. If they do I think there will be more of them come around to my way of thinking. The chief government whip has said that this is a private member's bill and hon.

members are free to vote for or against it as they so choose to do. This is true.

It may be that if this bill goes through the committee stage today—I doubt whether it will—there will still be a chance for the hon. member for Bow River to answer the questions I have placed before him. No statement has been made by the company, or I have seen no statement by any representative or any spokesman of the company, that they have any idea at all except that the operations of this company in this country can go on in the same manner and with some of the same philosophy that might have characterized a fruit company in one of the banana republics of Central America, or of more enlightened companies in Saudi Arabia, although in Saudi Arabia they are paying 75 per cent royalties and not 12½ per cent.

The fundamental philosophy behind the opposition to this bill is simply that this company, which is gaining wealth through the exploitation of our natural resources, and which is rightly entitled to the profits it can make out of the enterprise, has a duty and a responsibility to the people of this country, a duty and a responsibility of which, as far as I can determine, it is not yet aware.

The Chairman: Shall clause 1 carry?

Mr. Chown: I have to take the responsibility for not answering the more significant questions of my hon. friend from Vancouver South as to the division of shareholders, the percentage of holdings in different countries. One reason is that he was not here at the time of the last debate on this bill in committee. On that occasion I answered his second question which has to do with Canadian participation. He will find that answer at page 3428 of *Hansard* of March 28, 1961, in the letter from management on the subject which I read into the record. I will not waste the time of the committee reading it again, because we have limited time in which to pass this bill through committee stage.

The answer to the first question as to the share participation and the division between individuals of different countries is set out in a letter from Hudson's Bay Oil and Gas Company to the legislative counsel, dated March 15, 1961. It reads in part as follows:

As of December 31, 1960, the company had 11,954 shareholders (excluding Continental Oil Company and Hudson's Bay Company) who in total owned 1,709,969 shares or 9.64 per cent of the total outstanding shares.

A classification by nationality of these public shareholders and their holdings is as follows:

	No. of shareholders	Per cent of total shareholders	No. of shares	Per cent of public shareholdings	Per cent of total shares
Canada	1,410	11.80	525,299	30.72	2.96
United States	7,324	61.26	831,096	48.60	4.69
United Kingdom	3,055	25.56	348,187	20.36	1.96
Others	165	1.38	5,387	.32	.03
	11,954	100	1,709,969	100	9.64
Continental Oil Company			12,025,967		67.77
Hudson's Bay Company			4,008,592		22.59
			17,774,592		100

The letter goes on to say:

On completion of the initial distribution of the shares in 1957, the number of Canadian shareholders was 1,022 with total shareholdings of 306,287 shares and there has been a steady increase since that time to the totals shown above. During this same period the number of United States shareholders has declined by 747 and the total United States shareholdings by 278,337 shares.

There is increasingly active trading on the Toronto stock exchange in the company's shares. The total number traded in 1960 was 413,326 and in 1959, 327,792.

Mr. Broome: Would the hon. member repeat the figures with regard to Canadian participation and particularly the percentage that Canadian participation represents compared with total public holdings of 9.64 per cent? I think the hon. member said 2.96 per cent but I am not sure.

[Mr. Broome.]

Mr. Chown: The number of Canadian shareholders is 1,410, the percentage of total shareholders is 11.80, the number of shares is 525,299, the percentage of public shareholdings is 30.72 and the percentage of total shares is 2.96. Therefore when you look at the column of figures you will see that actually the majority of shares publicly held are held in Canada and the United Kingdom.

Mr. Broome: I should like to make a few comments, Mr. Chairman. When the shares were first issued Canadian shareholders owned 306,000 whereas their shareholdings now have grown to 525,000. I think this reinforces my argument about the willingness of Canadians to invest in resource development because they have had to purchase these shares either in the United Kingdom

or the United States and most likely they have done so in the United States because holdings by people in that country have gone down.

The same story is given by the management of McIntyre gold mine who in their last statement pointed out that their shares had been almost 100 per cent repatriated. Whereas in previous years the majority had been owned in the United States, over 90 per cent are now owned in Canada.

The point is, however, that in the present instance, although Canadian participation has risen to 30.72 per cent of the total public ownership of shares, the total public ownership is only 9.64 per cent of all the shares of the company and Canadian ownership of shares in this company is something under 3 per cent. That does not strike me as being what one would call a reasonable Canadian participation, and I come back to the fact that Canadians have increased their holdings by 66 to 70 per cent over what they were originally in 1957 when these shares were first offered.

This company might well have considered taking some of their treasury stock and making it available across Canada in order to increase Canadian participation to some point where the company might be truly classed as Canadian. Less than 3 per cent does not make it a Canadian company and if it is going to prosper from the development of our resources I suggest it should become more of a Canadian company than it is now.

Mr. Fisher: Mr. Chairman, this is the first opportunity I have taken to speak on the bill at any of its stages. The title intrigued me, of course, when I first saw it because in our part of the country we have had in the past a rather small but clamorous group interested in secession from the province of Ontario and the setting up of a new province which was labelled Aurora by one of the more imaginative in the group. I have often thought that their scheme was highly imaginative, perhaps too imaginative, and therefore when this measure came before the house I was interested in hearing that some of my colleagues found it imaginative.

Quite frankly, I have enjoyed some of the debates that have taken place on the bill, no more so than the contribution I have heard today by the hon. member for Vancouver South. A number of members of parliament at the various stages of the discussion of the bill in the house and in the standing committee have gone to great lengths to disclaim their own knowledge of what is involved in this matter. When the hon. member for Winnipeg South introduced the bill he made it very clear that he was speaking strictly on the basis of information that had been given to him and was not setting himself up as any kind of authority. There were many challenges flying back and forth across the house on second reading in that regard, and on the part of those who were very anxious to get the bill through the argument seemed to be that we did not need to know anything about it anyway, that it was merely a matter of incorporating the company. Therefore they said that we should pass the bill because the place where members could really find out things was in the standing committee on railways, canals and telegaph lines.

Then there were even some who felt that committee really did not matter too much because the matter would finally have to go before the national energy board and they would really look after our interests and the interests of all Canadians. Then, of course, there were those songbirds from Alberta who told us about the sweet things that happen during the Alberta conservation board hearings. We were all going to be protected, therefore, by these other agencies in any decision we might make to push this bill through on second reading or in the committee.

I should like now, Mr. Chairman, to raise a matter on which I hope you will let me continue for a minute or two before you decide whether or not I am out of order. I believe it is relevant to this bill. I believe the treatment this bill received in the committee—I am not saying this by way of criticism of the members of that committee—is a fine indication it is about time we equipped ourselves with the resources for getting more of the information we need through the establishment of a permanent research group attached to the standing committees of this house. In reading the report of the committee one finds that hon. members of good will such as the hon. member for York North and the hon. member for Calgary South, whose opinions I respect, came forward and expressed some views. The final analysis was that the bill was sort of shoved through because we did not really know the answers to the questions that were asked. I can only assume from reading the report of the standing committee on railways, canals and telegraph lines for Tuesday, March 21, that the house committee was really not able to assist in solving the problem from the point of view that the hon. member for Vancouver South and the hon. member for Vancouver East were prepared to present.

This situation indicates to me that it is time we gave our standing committees the personnel they need to enable us to know that when we go into a committee we are not completely helpless in facing parliamentary agents or representatives of these companies.

I will not say any more on this subject now. However, I feel that a great deal of the discussion that has taken place could have been prevented if we could have been sure, both in the committee and in the house, that we could have obtained the details we needed instead of obtaining information in dribs and drabs accompanied by a great deal of invective back and forth.

Mr. Horner (Acadia): Oh, fiddlesticks; you are just delaying the bill.

Mr. Fisher: I hear an interruption from the hon. member for Acadia. I am glad to have this interruption because I know he represents a definite point of view. It seems to me that in the province of Alberta they have some kind of fossil deposits. They have discovered ancient animals. It is known that that part of the province contains some of the oldest remains in existence. In taking the position that he has, and I say this quite honestly, it seems to me that the hon. member for Acadia is representing one of the oldest positions in Canadian and North American politics and to me it is a fossil position.

I have strayed away from the point—

Mr. Horner (Acadia): Would the hon. member permit a question?

Mr. Fisher: I am always ready to permit a question.

Mr. Horner (Acadia): The hon. member has gone to great lengths to describe the research group the committee should have. I am sure there is no one more qualified to speak about committee work than the hon. member, and he has done a lot of research in connection with committee work. However, can the hon. member tell me why the hon. member for Vancouver East and others did not ask the same questions in the committee when the parties were there to answer them that they have been asking in the house?

Mr. Fisher: I could not answer a question concerning what role our members played. Normally, I am a member of this committee but I was bumped off the committee because the bill seemed to affect the regions of other hon. members. I do know that I found the committee's reports interesting. As a matter of fact, the central reason for my speech today is the information contained in the latter that the hon. member for Vancouver East received from the Pembina company and filed with the committee. When I compare the information contained in the letter with the information that has been given to us by the hon. member for Bow River and the hon. member for Winnipeg South, I am convinced that the hon. member for Vancouver South has an excellent point. I had not realized that a pipe line company in Canada today was so truly Canadian as this organization seems to be.

Mr. Horner (Acadia): I am sure the hon. member would permit another question. Did he not see in the committee proceedings a statement to the effect that if Interprovincial Pipe Lines, I think it is, or the Pembina people, were given the contract by the United States oil company, then the United States oil company would be granted controlling interest in the Canadian firm? I am sure this statement appears in the evidence, and the hon. member would not want the members of this committee to be led astray.

Mr. Fisher: I had assumed from the fact they were being given the controlling interest that it was a matter of trade. I want to come closer to the hon. member who has been interrupting me. I want to say that I have never been able to feel money has any flag on it. It does not seem to me that you can really put a flag on capital, especially in North America. It always seems unreasonable to me, especially in view of the part of the country I represent, to get so worked up over the question of the source of capital. We have had to face this problem since Canada first came into being, and the United States faced it before we did.

On the other hand, in recent years we have developed an attitude, which some people credit to the present government, that the principle of Canadian ownership in any further development of resource fields will be the No. 1 principle. It seems to me this subject was debated when the national energy board was created. The Prime Minister has included this topic in some of those lovely little television performances I have observed a number of times. I seemed to feel that I and all the other little Canadians were going to enjoy a chance to get into the development of natural resources.

I talked to a member of the national energy board the other day for whom I have a great deal of respect. I am not going to go into detail about what he said, but he certainly indicated to me he did not have any particular concern arising from what he knew about this particular line. I could be assured, he said, that the national energy board would give the full benefit of all their resources to any hearing on this matter and that they would also take a look at the opinions expressed by the members of parliament. This is fine.

However, if I may return to the point I would say that a principle has been presented, first by the hon. member for Vancouver East but possibly more forcibly by the hon. member for Vancouver South. In the light of this particular principle, I do not see how we can

agree to the passage of this bill. It seems to me it is a poor bill in the sense that it is the wrong kind of company bringing it forward. I make these remarks on the question of principle.

However, I should like to turn to a couple of other aspects of the bill that intrigue me. I really have not got a clear picture from anything put forward by the dual sponsors, but it seems to me that the question that was bothering the hon. member for York North was whether or not the launching of this particular organization would cripple, damage, ruin or cause trouble for the Pembina people, the Foothills people, in their attempt to get a much larger share of the product to market. The hon. member for York North was good enough to reveal that he did have a financial interest in the company involved. I think we all respect his integrity, though our views may differ from his. I do not believe the answers we have had from the two sponsors really clear this up. Reference has been made to the fact that this subject is too technical for us and we should therefore let the national energy board deal with it. It seems to me that it is in principle at least a fairly simple matter.

We have a company that has been working for two years part of the time in co-operation with the sponsors of this bill, and they naturally feel that the invasion in the field by the incorporation of this company might cause them difficulty in their attempts to set up the matter. This is the company—this company related to Pembina—that has shown to us that it has a magnificent ratio of Canadian ownership and of Canadian employees, one with which this other company cannot compare at all.

In this regard I should just like to point out that the Pembina Pipe Lines Limited company stresses that all its permanent employees are Canadians. This information was not contradicted before the committee. As a matter of fact, Mr. Burgis, I think that is his name, agreed that the general information contained in it seemed to go along with what had been filed, I imagine under oath before what has been made much of, namely a court of record before the Alberta group. I am therefore left with the feeling that, on a Canadian principle put forward by a number of members very feelingly, the bill is unsatisfactory. But from the point of view of the possibility of this company "snafuing" the works for the company that is already in the field, I have grave doubts that have not been answered.

There are a number of questions that I should like to put to the sponsor of the bill. One of the arguments that he put forward is that in 1957 public shares were offered on the market to Canadians. I observe the hon. member for Vancouver South shaking his head with regard to the point to which I was referring. I was wrong. It is just that the shares of the company were listed on the Toronto stock exchange in 1957 and since that time have been actively traded and have been available for purchase by any Canadian who wished to invest in them. But as the hon. member for Winnipeg South has indicated in his statement, the shares available to the public and traded on the Toronto stock exchange are a pittance in relation to the total shares that exist in the company.

Despite the fact that in the letter he put on record at page 3428 of *Hansard* in which Mr. Burgis said that the company does not have any need for additional equity capital at the present time, I should very much like to know from him whether it might not be the time, in view of the criticisms that have been made, for these two organizations, namely Hudson's Bay and Continental, to make available to the public more of these holdings they now have. It seems to me that this would be an answer. I should like more of an explanation than we are given in this letter filed by the hon. member for Winnipeg South.

There is another point about which I should like to hear from the sponsors of the bill and it is this. I know I could get this information on my own, but I feel they should provide it. As found at page 3429 of *Hansard*, we are told that the company has issued and sold to Canadian investors three different issues which in total amount to $28,600,000. I should like to know more about the circumstances in connection with this debt issue. I should like to know whether they were debentures that were issued along with any shares at various times. I should like to know whether this debt issue is held completely by Canadians, or just how the matter came along. It would seem to me remarkable if this company has never, since it got operating here, put on the Canadian market an issue of shares and yet at the same time has offered debentures to the Canadian public. It would appear to me that it has been taking advantage of all the savings that might exist in various markets in Canada. I should like to think that if they could raise this much money on debt issues, they could also find all kinds of purchasers for stock put on the market. I know that the value of shares at the present time, or the median value of shares say for the last year, might indicate whether or not this is a sensible request for information.

In connection with this bill, I have been greatly interested to discover that the two Calgary papers take different points of view

on it. I was very much reassured when accusations were ringing in this house that a filibuster was going on. I wondered about the position of the members of this particular party. I wondered whether we were completely off on the wrong track. I therefore went to the trouble of checking in publications in Alberta and in other parts of the country. I was pleased to discover that the position that has been advanced here and has been supported so well by the hon. member of Vancouver East and by the hon. member of Vancouver South, has been supported by three publications, including the Calgary *Herald*. Even in the Calgary *Albertan* which rips strips off the C.C.F. for deliberately in a sense abusing parliament, it is conceded that the factor that the company would be United States controlled is something to which this House of Commons should give serious consideration. I was interested to discover that the periodical *Saturday Night* had an expression of opinion that would seem to indicate that the stand made against this bill has a great deal of merit.

By saying this I am not suggesting that this kind of support or this kind of view of whatever actions we or any other party may take is an essential thing. However, it is somewhat satisfying to find this situation in view of the bitter invective that has been hurled at the members of this party and even at the hon. member for Vancouver South when he has been making his objections to this bill.

It seems to me that the sponsor—I refer especially to the hon. member for Bow River —has been far too aggressive, especially for a sponsor, in making this kind of approach. As I conclude, I can only add to that criticism that it seems to me most regrettable that he has not been here more often to present the case in a calmer and quieter way that may have led us to take a different attitude.

Mr. Peters: The charge has been made that the aggressiveness was not shown in the committee. Hon. members will know that I am not a member of the committee. However, I availed myself of the opportunity of attending the committee hearings and listening to the arguments that were put forward. I believe that the hon. member who raised this problem a few moments ago will agree with me that the discussions that took place in the committee may have certainly been augmented to a great degree by the bits of information that have been continually fed to the house by the sponsors of the bill.

The hon. member for Vancouver East is specifically interested in the financial arrangement as it affects another company that has already been given the opportunity of doing a similar type of development work and the hon. member for Vancouver South is interested in it from the point of view of the Canadian content. Both these hon. gentlemen in particular have been answered at great length and the answers that have been given have been supplemented and have been much more extensive than was the information that was given to the committee in the first place.

Many of the hon. members who sat in that committee were interested in one aspect of the bill and were not particularly interested in the over-all bill in relationship to the viewpoint of the two hon. members I have mentioned. Those hon. members, were more concerned with the financial arrangements than were some others. The information now available to the committee is a great deal more extensive than that available in the committee hearing and we are now more able to make a decision.

I am interested in this matter from another point of view. This is not completely divorced from the point of view expressed today by the hon. member for Vancouver South. I am interested in the relationship which this particular industry, or this particular company —because it is almost all of the industry and will be the key to the industry—will have on Canadian development and the development of Canadian secondary industry in western Canada.

I spoke to someone the other day—the hon. member for Acadia may laugh—who pointed out that this was like putting a tap on the bottom of the oil barrel in western Canada, running this half mile of tap over to the United States and dumping the whole thing there.

Mr. Horner (Acadia): Mr. Chairman, would the hon. member permit a correction? He keeps on pronouncing my constituency as "Arcadia". There is no "r" in the spelling of my constituency. Also, it is in Alberta, not Nova Scotia, as the hon. member probably thinks.

Mr. Peters: I thank the hon. member for his correction. I can assure him that I did not think he came from the maritimes area of Arcadia. I am familiar with the fact that he comes from western Canada and I will try to pronounce his constituency correctly in future.

If this is the tap on the bottom of the oil reserves, it seems to me that consideration of this matter should be extensive because we are discussing a resource that can be as advantageous to Canadian secondary development as the oil industry has been to those areas in the United States which are going to benefit from these oil reserves.

The development that has taken place around these refinery centres in the United

States has been phenomenal. It has been accomplished in a very short period of time, and the results of this development have brought untold wealth and benefits to the areas serviced by secondary development in the oil industry.

It is our hope that parliament will give consideration to this matter in relation to this particular bill. It is not enough to say that we should leave it to the Alberta oil and gas conservation board or the national energy board to make the decision. I think it is obvious that the obligation is on parliament to make the decision, and we should do something about it.

As we look around our country and the world today we see that there is a growing desire on the part of the people to keep their countries for themselves. We are witnessing a war in Cuba today, or a counter-revolution to overthrow the government that has as its motto "Cuba for the Cubans". That motto is similar to that the Conservative party adopted in the last election, "Canada for the Canadians".

I think those of us who do not support the Conservative party have an obligation to make sure that hon. members do not forget that particular fact. We have an obligation to see that they live up to the slogan "Canada for the Canadians".

I do not object to United States capital coming into the country. I do not think it is necessary that all the money going into this development should be Canadian, but I do think we should use our resources to the best of our ability. If we are going to drain our natural resources we are not going to develop any type of secondary industry in our country.

The Canadian chamber of commerce, which supports the present government, have this to say in their publication "Policy Declarations":

> The chamber also urges its members to promote and support federal and provincial and business policies which will lead (1) to properly integrated development of Canada's natural resources in the interests of the nation as a whole; (2) to government policies in resources management that will ensure maintenance and where possible expansion of all renewable resources; (3) to fiscal and taxation policies consistent with good resource management and (4) to the development of educational programs with respect to the conservation and efficient utilization of natural resources.

They go on to talk about off shore drilling, and so on.

An hon. Member: You are talking nonsense.

Mr. Peters: Mr. Chairman, these interventions continue to come from hon. members from western Canada who appear to have divorced themselves from anything the Conservative party has said about maintaining Canadian industry for Canadians. They seem to be really happy to give all Canadian resources to the people of the United States.

Mr. Horner (Acadia): That is tommy-rot.

Progress reported.

Mr. Speaker: The hour for private and public bills having expired, the house will resume consideration of the matter under discussion at five o'clock.

CUSTOMS TARIFF

The house resumed consideration in committee of Bill No. C-72, an act to amend the Customs Tariff—Mr. Fleming (Eglinton)—Mr. Flynn in the chair.

The Chairman: It being six o'clock I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

On clause 1—*Goods deemed of class or kind made in Canada.*

Mr. McIlraith: Mr. Chairman, I was unable at five o'clock to make certain remarks in regard to the amendment put forward at that time, and because the amendment has been dealt with since I will not attempt to do so now. My proposed remarks will have to remain off the record of *Hansard.* Perhaps many hon. members in committee would be better off if their remarks were left out. I would suggest, however, that there is a problem in regard to the discussion of this bill because one clause essentially contains the whole substance of it.

Mr. Fleming (Eglinton): There are three other clauses on the next page.

Mr. McIlraith: Yes, but there is only one main clause. It is subdivided in such a way that it becomes somewhat inconvenient for discussion. Perhaps in dealing with the subject matter of clause 1 it would be as well to raise one point at a time, and I propose to limit my remarks at this stage to one particular point. Perhaps I can do this best by indicating at the outset of my remarks the amendment I propose to move at a later stage. The substance of that proposed amendment, which I will move at the conclusion of my remarks, is that the clause be amended by striking out subsection 3 of section 2A.

Mr. Fleming (Eglinton): Did you say subsection 3 of section 2A?

Mr. Benidickson: Actually this refers to the whole section.

Mr. McIlraith: It will be seen at once that the purpose of the amendment is a direct attempt to leave to the tariff board and the courts, unimpaired that portion of the legislation covering appeals. I do not think it is necessary to traverse ground that has been covered at the resolution and second reading stages but it does seem to me that there are many reasons why the right of appeal should be left in the legislation. I am at a loss to understand why the Minister of National Revenue, who will be charged with the responsibility of administering this act, would want to administer an act which, by its very nature, must be administered by a great number of departmental employees widely spread across this country, who make rulings quickly without adequate opportunity for consultation with the head office.

If there has been any difficulty in this regard in the past at least it has been impressed upon those employees that care must be taken when making these rulings because of the fact that they are aware that the rulings are subject to appeal to the tariff board, as a result of which there is very close public scrutiny given to them. From an administrative point of view I am at a loss to understand why the salutary and beneficial effect on the quality of those rulings, which results from this right of appeal, is being taken away by the minister. It seems to me for that reason, if for no other, the minister would want the right of appeal maintained.

I realize of course that in the administration of a public service many difficulties arise, but in an administration where this type of decision, with such far-reaching effect, is left to employees, as in this case, it is important that the employees realize there is a check being made, and I would hope that the minister would explain frankly to this committee how he would expect to keep up the high standard of administration which this act has received at the hands of employees in his department, when he is removing that which is regarded by most individuals making this type of decision as something which will assist the administration.

There has been the argument made and well expressed by others, that there would be an absolute danger to the economy in this country if decisions under this clause are made carelessly because they are not subject to appeal. These decisions will have a far-reaching effect on the productive capacity of this country. It seems to me that it is common ground to most hon. members that one of the problems facing us today in this competitive society is the ability of our manufacturers to produce efficiently and relatively cheaply. One of the difficulties with which they are faced today is the high cost of production. If Canadian manufacturers are to compete effectively it is important that no added production costs should be placed upon them. Once the right of appeal has been taken away, rulings of this kind may have the effect of increasing the rate of duty in respect of imported machinery used for production purposes. I think it is fair to say that this increase could vary from 7½ per cent to 22 per cent in respect of many of the items imported as production machinery, which will have a bearing on production costs.

That kind of added cost is a very serious thing for the manufacturing industry in this country. The right of a manufacturer to appeal when he feels that a wrong ruling has been made on a point or points in an import application covering that type of production machinery is indeed a very valuable one to him. It is not only a valuable right to him but to all Canadians because of the significance of increased cost in the production of the goods. That increased cost significance would be applicable both to the ability to compete in foreign markets and the ability to compete in the Canadian market against imports. It works both ways.

I am at a loss to understand the minister's taking away the right of appeal when he knows that it has that significance. The right of appeal is one that we have had. Whether he intended it or not, I think the minister did disclose that there have been very few appeals over the years. The personnel of the tariff board has been increased, and increased materially. And yet, with the improved facility for handling appeals, the minister is taking away that right. Surely the minister is not going to suggest that he himself can look at all these cases and make an adjudication on them. To begin with I think it is physically impossible for him to do so, and I think he would be the first to admit that. He may have other views on this. If he has, I should like to hear them. It is an invidious position for him to be put in. It means that there will be no judicial interpretation of this interpretative section built up, none whatever, and that these various phrases used in the clauses will not have the benefit of the precedents in the decisions of the tariff board and the courts, but rather they will be made by the minister. We must remember that in this aspect of his work the minister is not answerable to anyone for these decisions. They are not published, and he can make them on whim or on any ground whatever.

Then, there is another ground for objecting to taking away the right of appeal. I think the Minister of Finance was a little abrupt in his interpretation of this clause when he was speaking earlier this afternoon. The consequence of the interpretation of this clause with which we are dealing is to determine the rate of duty which shall be applicable to a particular import. That is the consequence of the decision. Surely there can be no denial of that fact. I think the Minister of Finance was playing on words unduly this afternoon when he took the stand that this clause did not change the rate of duty set out in the items of the tariff. Of course, it does not. No one would suggest that it does. But surely that is not even a half answer to the problem confronting us; it is an evasion of the real point. The real point is that the decisions made under this clause will change the rate of duty applicable from no duty, or very low duty, in most cases, to a moderate or a high duty. The differential in the rate of duty between the two findings is up to 22½ per cent. In most of the items it is from 7½ per cent to 22½ per cent of the value of the goods.

Perhaps there is no point in picking out particular items and trying to decide what is the applicable—

Mr. Benidickson: Over-all, the hike is 15 per cent.

Mr. McIlraith: Yes, the difference resulting from the decision in most cases increases the duty by about 15 per cent. If the decision goes against the importer, even if it is a fair decision, it is an increase of the taxation; for it is 7½ per cent when it is not made in Canada and 22½ per cent when it is made in Canada. It is an increase of 200 per cent in the taxation rate applicable because of a decision made by the minister, which is not subject to appeal. Surely the principle should be that taxation should be set by this parliament. It is no answer to say that the rates of duty on the different items are set by parliament if the minister can, without being subject to any appeal or giving the citizen any right of application to the tariff board or to the courts, decide which rate is applicable. Surely this is something the minister will need to explain more fully than he has done heretofore in the debate.

I do not suggest that the minister will abuse this wilfully of his own volition, but surely he should not be left in a position whereby on his own whim or caprice he can raise the taxation as between two importers of the same article by that kind of percentage or that kind of interpretation. Surely that is not what our system contemplates at all, and surely a minister of the crown ought not to be left in the position where it can be said of him in any particular case that he did that.

It would be possible to elaborate upon the reasons why the right of appeal should be left in and not taken away, and why the right of taxation should be left in the hands of parliament and not given to the minister, as this clause in effect does. One could elaborate on that and bring in all those loud-sounding speeches that were delivered by the Prime Minister and others of his supporters on the bill of rights about the rights of the citizen to not be removed other than by due process of law, but perhaps at the committee stage it is not necessary to go into that. Surely in the light of the clause that is now before the committee, those words were a mockery. Therefore, without further ado, Mr. Chairman, I would move, seconded by the hon. member for Bonavista-Twillingate:

That subsection 3 of section 2A be struck out.

The Chairman: Shall the amendment carry?

Mr. Nowlan: Mr. Chairman, I should like to start by echoing the words which have been uttered by the hon. member for Ottawa West about the loud-sounding speeches made and the hollow arguments used in this debate so far. Certainly no better description could be given of the speeches made by members of the opposition. Because of the fact that my colleague, the Minister of Finance, refrained from replying in the debate on second reading and I have not spoken at all and also the fact that we have now spent eight days on this debate, I would hope that by temperate statement and restraining oneself from saying the things that one would like to say we might be able to come to a decision on this matter without further prolonged and unnecessarily prolix discussion. I will not say "stupid" although one might be tempted to do so.

Mr. Pickersgill: That is a very good way of getting legislation through.

Mr. Nowlan: It is clearly in keeping with what we have had to put up with for eight days but I am trying to restrain myself. I know it is not true of the hon. member for Ottawa West and the hon. member for Kenora-Rainy River who do have some knowledge of this subject, but one would almost think, in view of the debate that has taken place so far, that we were dealing with a new subject entirely of which hon. members opposite had no knowledge whatsoever. There is nothing new about this matter at all.

One would think that a "made in Canada" ruling was something which had suddenly developed or was being proposed in this legislation for the first time. As a matter of

fact, "made in Canada" rulings have been in force in Canada under various terminology, as the hon. member for Bonavista-Twillingate pointed out, for probably over half a century.

We have been discussing appeals. It might be interesting to point out this fact in passing over these things, and I hope, as I say, that we will pass over them fairly quickly and temperately. Sometimes one hears the late R. B. Bennett referred to in caustic terms as a protagonist of high tariffs. It might be interesting to point out to the committee in passing that the right of appeal to the tariff board was brought into effect by the late R. B. Bennett.

Mr. Benidickson: But his staff had the final say.

Mr. Nowlan: During the years from 1921 to 1930, however, when another government was in power, with the exception of a short period in 1925 and 1926, there was a right of appeal to the customs board which was comprised of the deputy minister of customs, the assistant deputy minister of customs, another officer appointed by the deputy minister of customs, the deputy minister of excise and the deputy minister of taxation. That certainly could not be said to be an impartial board to pass upon appeals, and it was the late Hon. R. B. Bennett who created the tariff board and provided for appeals to that board, to which subject we have referred from time to time during this debate.

As I have said, there is nothing new about "made in Canada" rulings. They have been made over a long period of time. During my short term as Minister of National Revenue I have made scores of "made in Canada" rulings. Sometimes three or four a week come up, sometimes three or four a month. As a matter of fact, I made four last week under the provisions of the statute as it has existed for many years. So there is nothing particularly new about this.

All the bill does is (a) to insert the word "approximately" in order, as the Minister of Finance has pointed out, to restore the ambit of the act as it was intended and as it operated up to ten years ago and (b) to provide for a class of goods which has not heretofore been made but with respect to which the capability to make them exists, and so on and so forth. These are the purposes plus the fact that within a very narrow compass, to which I will refer in a moment, the right of appeal has been limited and in a very technical sense restricted. That is the only difference between the bill now before the committee and the act on the statute books today under which the Minister of National Revenue has operated up till this moment.

There has been a great deal said about doing away with the right of appeal. There has been a great deal said about transgressing upon the rights of parliament, that parliament is the only body that should pass upon tariffs and that the bill before us constitutes an abrogation of the right of appeal and a reflection upon the rights of parliament. As I said, Mr. Chairman, one could refer to that argument in language which probably would prolong the debate for a much greater length of time than I should like to see it prolonged. However, pursuant to an order of the house moved by the hon. member for Kenora-Rainy River the decisions and orders which the Minister of National Revenue has made under section 38 of the Customs Act since December 1, 1958, were tabled in the house today. Section 38 of the Customs Act as it has applied going back to December 1, 1958, has nothing to do with the bill before us tonight.

Mr. Benidickson: May I ask the minister a question?

Mr. Nowlan: I should like to keep the floor if I may until I finish.

Mr. Benidickson: Would he allow me to ask a question later?

Mr. Nowlan: I surely will. I gave this document to the Clerk this afternoon for tabling in the House of Commons.

Mr. Benidickson: After seven days of debate.

Mr. Nowlan: There are, I believe, 44 different rulings which have been made by the Minister of National Revenue under section 38 of the Customs Act since December 1, 1958. This act has been on the statute books for many years. It was in force under the regime of the preceding government, and with various and slight modifications—

Mr. Benidickson: This is a new ruling.

Mr. Nowlan: These are not new rulings. These are rulings which have been made under section 38 of the Customs Act which has been in force in Canada for at least a quarter of a century.

Mr. Benidickson: It was not section 38 before.

Mr. Nowlan: Without taking the time of the committee, I will simply suggest that those who are worried about the effect of making these rulings, and I know there are some who are worried, should peruse the document which was tabled in the House of Commons today. Section 38 authorizes the Minister of

National Revenue to fix values for duty without consultation with parliament. The minister has the right under that section to fix the value for duty purposes. I am not going to bore the committee because I do not wish to take too much time. I have marked 20 or 30 different orders which have been made and which are not subject to appeal.

These are ministerial rulings made by the minister pursuant to the act and whether they are right or wrong, and I hope they are right, they are not subject to appeal. So when we hear the talk we have heard about trespassing upon the right of appeal I suggest that one should look at the return which was tabled today and then decide how much substance there is to this argument about infringement of the right of appeal. There are orders here wherein the Minister of National Revenue has said that there shall be cost plus an advance of 25 per cent. There are other orders in which the Minister of National Revenue has ordered that there shall be cost plus an advance of 50 per cent. There have been orders dealing with imported goods from foreign countries where we have said that the value of the goods from that country shall be equal to the cost of the goods from another country.

As an example, I may cite the case of Chinese paint brushes. This is a very minor case, but it is one in which we have said that the value for duty shall be the value of the brushes exported from Great Britain rather than from China. One could go on and on giving examples. I would hope that hon. members who are concerned about this matter would take advantage of the opportunity to read the return which was filed today showing the powers which have been vested in the minister of national revenue, not by this proposed amendment, but which have been vested in the minister for over half a century by the parliament of Canada. This amendment relates to a minor matter. I would suggest, too, that these powers have been exercised, not by minions as was suggested yesterday, but by senior officials of the Department of National Revenue. These are men of experience who have been trained and who have spent a lifetime in the service of the department.

Although I appreciate the statement made by the hon. member for Ottawa West a while ago to the effect that no minister could possibly have the time to deal with all these matters, I want to assure the committee through you, Mr. Chairman, that there has not been an order made concerning a "made in Canada" ruling or fixing the value for duty which the minister has not perused personally, checked and rechecked before he signed it. There have been, I may say, scores and scores of such orders. If the committee, in its wisdom, sees fit to pass these amendments, as I hope it will, I can assure you that these rulings and orders will be made in a manner no different from that of the past. I am sure that my predecessor the late Dr. McCann and his predecessor the Right Hon. J. L. Ilsley never made these rulings except in consultation with the senior officials who have available to them all the memoranda on the previous rulings, documents which go back almost to confederation and certainly for 60 or 70 years.

The Minister of National Revenue, with the advantage of these documents and the advantage of the experience and advice of the senior officials, has to make the decisions which he makes pursuant to the various sections of the act. As my hon. friend reminds me, there is no appeal from the decisions here. I invite hon. members to look at these orders tomorrow. They will see decisions here in which the value for duty was increased 100 per cent over what was alleged to be the fair market value. There are others in which the value for duty has been increased 25 per cent, 50 per cent and others where it has been marked up specifically by $5 or 50 cents, whatever the case may be. There are 44 of them, and they have been made since December 1, 1958. Every one of the rulings was made by the individual who happened, for the moment, to be the minister of national revenue. They were made without the right of appeal.

Then, we hear talk for seven days about the fact that we are transgressing upon the rights of parliament; that we are depriving someone of the right to appeal. Is it any wonder that one could speak of this matter in a way which would, I am afraid, prolong this debate to a much greater length than I hope it will last. I have been referring to one section, section 38 of the Customs Act, but I have in my hand a list of 64 different sections of the Customs Act, the Customs Tariff Act and the Excise Act under which the decisions of the minister of national revenue are final and without appeal.

Mr. Chambers: How many different sections?

Mr. Nowlan: Sixty four, and of those 64 different sections, 62 of them were on the statute books of this country when the present government took office in 1957. There are two of them which were enacted by the present government, the one fixing the value plus a reasonable mark-up for profit, and the one fixing the values of fruit to be imported. Not one order has been made under either section.

I think possibly some weeks ago I misled the committee when I said no action had been taken under the revisions of the Customs Act in 1958. There have been many decisions to which I have just referred which have been made under the revisions of the Customs Act in 1958. However, the revisions of the Customs Act were all consolidations of existing sections with the exception of the two amendments to which I have referred and under those two amendments no orders have been made. I do not believe I should worry the committee by enumerating these various sections. I have marked a lot of them and if I had the time I believe I would have a reasonable degree of fun by enumerating some of the powers given, rightly or wrongly, to the minister of national revenue and which have been exercised for almost half a century. They have been exercised by my predecessors and, at the moment, they are exercised by me as minister. They will be exercised by other ministers who come after us. In not one single case, Mr. Chairman, is there a right of appeal from the decision of the minister. Rightly or wrongly, the decision of the minister is final.

Then, it has been suggested that these minor little amendments which we are making today are an infringement of the rights of parliament; that they transgress upon the courts or obliterate the courts. As I have said, the language in which I should like to describe this argument is such as I should like to refrain from using at the moment. I have these four typewritten pages which set forth the sections of various acts to which I have referred. On the last page I notice one section which says that the minister's decision shall be final and he shall be the sole judge as to whether printed material is educational or otherwise. Well, that is not too heavy a responsibility but nevertheless it is indicative of the powers which are given to the minister of national revenue.

I have given some of the background of the practice which has prevailed throughout all these years as a result of the authority given by parliament. We are now dealing with amendments which, to some extent, enlarge the power of the minister with respect to goods which are ordered by specification and goods which are approximately of a class or kind. My colleague the Minister of Finance has dealt at some length with these matters and I do not propose at this time to weary the committee by dealing with those matters further. There are several powers of appeal given, but the decision of the minister shall be final with respect to the normal Canadian consumption of the goods described. My good, personal friend the hon. member for Bonavista-Twillingate said last night he could not understand why this appeal was to the "consumption", and why it was not to the "production" of the goods made in Canada.

Mr. Pickersgill: I did not advocate that.

Mr. Nowlan: But yet my hon. friend and, I think, various other hon. members argue that the minister can fix normal consumption, that the minister can fix the figure very low, that he can have his friends and give them a hand-out. There was a score of quotations such as that emanating from the mouth of my friend the hon. member for Bonavista-Twillingate. Yet in the same breath last night he said that he could not understand why the appeal was from consumption and not from production.

Mr. Pickersgill: Mr. Chairman, I think the hon. gentleman does not want to misinterpret what I said last night.

Mr. Nowlan: Not at all.

Mr. Pickersgill: I said that I opposed the abolition of any kind of appeal. However, I said that if one were seeking to make a case for refusing an appeal, I could see slightly more sense in the case of production in Canada than I could in the case of consumption in Canada. I said that because I thought the producers might want to keep their production secret but I could not see why anyone would be interested in keeping the consumption secret. However, I want it completely understood that I am opposed to any abrogation of any existing right of appeal.

Mr. Nowlan: Abrogation of any right of appeal as suggested in this legislation is infinitesimal as compared with the abrogations of rights of appeal which occurred under legislation enacted when my hon. friend was in the privy council and in the privy closet for years preceding me. It is rather refreshing to hear that this wandering gentleman from Winnipeg who sat in the closet here for 11 years and now has arrived fresh and salty from Bonavista-Twillingate, should be suspicious of the activities of the government in this country. It must suggest to hon. gentlemen that the companions and the associations which he had during those years rather twisted his thoughts and suggested to him suspicions.

Mr. McIlraith: Why do you not talk about the bill that is before the committee?

Mr. Nowlan: These suspicions certainly would never occur to any of us on this side of the house. What I am getting at is this. If my hon. friends' suspicions are correct

and if the minister of national revenue can arrange for a coterie of friends somewhere in a room or, as he said, in a closet, to look after them, why have an appeal from the decision of the minister with respect to Canadian production, because it is Canadian production that is going to be made by those friends. But there is an appeal from Canadian production, from the activities of the minister's friends, from the activities of anybody who might be associated with this government within Canada. The appeal lies in Canadian consumption. Everyone knows that Canadian consumption—and my hon. friend will well realize this—consists of Canadian production plus imports less Canadian exports.

One question why there should be no appeal on that matter of consumption, I can give one little illustration of a case which was before my department and the tariff board in the end last year and the year previous. It was the so-called "ball bearing" case. As I pointed out on an earlier occasion, and I do not want to trespass on the time of the committee now, the Department of National Revenue, because of its dealings with all of these producers and the importers, the confidential nature of our transactions and all the documents involved, is in the position—and it is the only one—of getting all the information—and we did not always get it all—which is necessary on the case. In the ball bearing case it was necessary for the Department of National Revenue to get the information with respect to ball bearings produced outside of Canada. What did we find? After consulting with the United States embassy and checking the sources of information there we found there were 18 suppliers in the United States manufacturing ball bearings with which we were concerned. We found there were 94 of them producing ball bearings in Europe. We found a large number—we were never quite certain how large the number was, I may say frankly—producing ball bearings in Japan and others possibly in Hong Kong. For months and months the department checked and rechecked through the embassies, through our own commercial counsellors and through every source of information available, trying to find out the number of ball bearings produced and brought into this country.

Added to that, of course, was our own production which could be very easily determined. In the end after seven months, we were faced with the necessity of making a decision and we made one. We fixed the consumption of ball bearings in Canada. It took us seven months to get this information. There was the possibility of an error but there was a much greater necessity for giving a definite ruling and for making it final so that business would know where it fitted and whether it could go ahead or whether it could not do so.

If after having spent months and months in trying to get this information and having used every possible source of information which is available to the department with all its far flung sources of information, some interested person could enter an appeal to the tariff board on some figment of imagination that there might have been a mathematical error in the computation of this consumption, then the situation would have been delayed for another two years before a definite decision could be made. How could business be carried on in that particular field?

Mr. Benidickson: So Queen Elizabeth is wrong?

Mr. Nowlan: I am not sure about Queen Elizabeth but I know that my hon. friend for Kenora-Rainy River is wrong. But that is the reason why we have said that, in so far as Canadian consumption is concerned, it is necessary in the end, having exhausted every possible avenue open to us in order to get it certain. In order to give a decision, in order that business may map its course and know where it is going we say that the decision of the minister in this mathematical computation in this area shall be final and shall not be subject to appeal. I ask you, Mr. Chairman, to compare that section with those to which I referred a moment ago in which, on important matters, no appeal has been allowed since the Customs Act was enacted.

Then there are two other areas in which there is no appeal and in which the decision of the minister shall be final. Section 1 is where goods are custom made to specification.

Mr. Benidickson: Whose specification?

Mr. Nowlan: Surely any person with reasonable intelligence and having access to the documents can determine whether goods are being ordered by some hon. gentlemen opposite from a manufacturer according to the specifications of the hon. gentleman opposite or any hon. gentleman, and the person ordering them according to specification and not according to standard production of the manufacturer. Surely there is nothing there which causes any concern. It is a simple little elementary question of fact.

Mr. Pearson: Why take two years to decide?

Mr. Nowlan: My hon. friend the Leader of the Opposition says it might take two years to decide.

Mr. Pearson: That is what you said.

Mr. Pickersgill: The minister said so. That is what he said a moment ago.

Mr. Nowlan: I said that a capricious person or a person wanting to enter a capricious appeal might take two years, and since they raised this matter, Mr. Chairman, I will deal with it. We have had many motives imputed here. It has been suggested that there are friends with whom one might consort, that somebody must be getting a pay-off. The only reason I can see for this exaggerated or prolonged debate is the fact that there must be somebody, some period of someone on the other side of the chamber who is afraid of the rulings that may be made and he wants to be able to maintain a system of superficial and artificial appeal so that he can avoid rulings for a period of two, three or four years. One argument is just as good as the other as far as that is concerned.

The Chairman: I am sorry to interrupt the minister but I must inform him that his time has expired.

Mr. Pickersgill: Let him go on.

The Chairman: Is the committee agreeable that the minister continue his remarks?

Some hon. Members: Agreed.

Mr. Nowlan: Thank you, Mr. Chairman. I see that the quality of mercy is not strained. I appreciate the courtesy I have been shown and I do not intend to trespass upon it.

The second section of interest concerns the right of appeal being restricted. The third one is whether adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time. Of course, that is an involved sentence and could be subject to various interpretations.

I am not going to suggest for a moment that there is not some room for debate as to what is a reasonable period of time. If you are making a thermal generator, which takes three years to build, or tin cans—

Mr. Benidickson: What about a 2½ cubic yards shovel?

Mr. Nowlan: —or if you are making a shovel, which takes a month—

Mr. McIlraith: It took in that case five years.

Mr. Nowlan: We can also argue the five-year period but we are not going to do that. Those are the three limited areas in which the power is vested in the minister. The right of appeal still exists in the major field.

It has been suggested that the right of appeal will be taken away by this bill. The right of appeal exists. Also, a great deal of play has been made of the word "approximately". There is an appeal on whether goods are of approximately a class or kind which has been made in Canada before.

With regard to the determination of Canadian production, as I said a moment ago when referring to the hon. member for Bonavista-Twillingate, there can be no hole-in-the-corner and no arrangement can be made with your friends, as has been suggested, because in that area there is an appeal to the tariff board and again to the courts. Of course, with regard to whether Canadian consumption is actually 10 per cent or more there is also a right of appeal.

I am sorry, Mr. Chairman, to have taken up so much time, but we have been sitting here for some little while debating this subject and I thought I would be pardoned if I tried to bring this matter into perspective as I see it and as I think, frankly, the Canadian public see it and anyone who has dealings with the department.

I am very proud of the department. I think the departmental officials are recognized by everyone in Canada as being men of ability. The senior officials are recognized as being men of experience and integrity, with a record of service which is unequalled by any other department in this country or elsewhere. To suggest that these matters could be manipulated in any way, shape or form is rather difficult for me to accept.

I hope I have not transgressed the rule of good nature to which I tried to adhere myself with some difficulty when I started and that having had this discussion we can now proceed to pass this bill.

I say again that the amendments which are proposed are rather important. In so far as concerns the extension of the minister's powers by the use of the word "approximately", and extending the type of goods which have not been made in Canada before but for which the economic and productive capacity is here, this is a rather limited area in a field in which the Department of National Revenue has been actively administering for half a century. I suggest that the country and this committee can leave these matters for decision by the department, because after all the final appeal is to this supreme court.

Mr. Benidickson: Is the decision made by a junior clerk, or yourself?

Mr. Nowlan: This is the supreme court of Canada, and no one can suggest for one moment that it is not. If there were any of the suggested derelictions of duty which have been put forward with exaggerated emphasis by hon. gentlemen in the debate on this bill, they would appear before this house within a month of their occurring. Here is the final

right of appeal given to the Canadian people, and I am sure they will not find that this section has been abused to the extent, or in any way such as has been suggested during this debate.

Mr. Pearson: Mr. Chairman, I will take only a minute to attempt to deal with the minister's last remarks. We have heard from the minister a moving and indeed impassioned appeal. He will forgive me if I say that I am not impressed. Perhaps I had better put it this way; I was certainly impressed by the facility of his language, but I was not impressed by the logic of his argument, because for most of his speech the minister dealt with administrative decisions from which there is not an appeal now and has not been in the past.

We are dealing now with matters from which in the past there has been an appeal. That appeal is now being taken away by legislation. The minister may say that these matters are, the word he used in connection with one of them was infinitesimal in importance. However, we are dealing with matters of trade and business which may reach $250 million.

However important or unimportant these matters may be—and we think they are important—the fact remains that an appeal has existed from decisions in respect of them in the past and this government, by legislation, is now taking away that right of appeal. No eloquence on the part of the minister can deny that fact.

The minister says these matters are not important and should not cause any anxiety in our minds. The minister says that he and his department can be trusted to administer these matters. We have great respect for the minister's ability and sincerity, and we have great respect for the officials of his department.

However, the fact cannot be denied that something which has existed in the past in the way of an appeal to the tariff board and to the court is now being taken away. That is why so much anxiety has been created not only in the minds of the hon. members of the opposition but throughout the country. That anxiety and worry on the part of the people of this country has been expressed by us in the house, and no eloquence of the minister will be able to deny that fact.

No eloquence on the part of the minister and no effort on his part to read all the decisions on which there is no appeal can deny the fact that an appeal has existed over the years and that appeal is now being taken away by legislation.

Mr. Martin (Timmins): Mr. Chairman, the minister said something about this house being the supreme court of Canada. I should like to remind the minister that the only area in which this house has been the supreme court is in the case of divorces, and it is even running into road blocks there.

The minister is a very able man. In fact, the minister is one of the most eloquent speakers I have listened to for a long time. He can successfully pull wool over the eyes of almost anyone. I happen to be in the fortunate position where I have not much wool which can be pulled over my eyes and the minister cannot do this to me.

The minister talked about the possibility of capricious appeals. There is certainly the possibility of capricious appeals. But is there not also the possibility of a capricious minister if we give him all the power that is involved in this bill? I will not say the possibility is there now. I am not accusing the minister of anything. However, we have to look ahead. When bills are passed they become the law until such time as they are revoked at some future date.

There is another aspect of this matter which rather concerns me. The minister referred to it two or three times. I refer to the remarks of the minister when he said that the government has had to put up with a debate on this subject for a period of seven or eight days. I should like to warn the minister that he is treading on very dangerous territory and would suggest that he think twice before taking a step such as this bill proposes. If this proposes nothing new, as the Minister of Finance and the Minister of Trade and Commerce have said, then why should we be asked to pass it? Surely there must be something new involved here or it would not be before the committee at this time.

I should like to mention one other matter which comes to mind as a result of the wording of this proposed amendment. I had intended to move an amendment so similar to this that I should like to read it for purposes of comparison. The amendment I proposed was that Bill No. C-72 be amended by removing the whole of section 3 of subsection 2A. It is the experience of this group that any time we find ourselves as close as this in thought to the Liberals we have cause for grave concern and have to search our souls to make sure that we are on the right path.

Mr. Hellyer: Would you be interested in knowing that the concern is mutual?

Mr. Martin (Timmins): We have learned from the hard lessons of history during the 94 years that this country has been in existence that we have no more reason to trust the Liberals than the Tories, and vice

versa. They are six of one and half a dozen of the other as far as we are concerned.

An hon. Member: I do not think he even trusts himself.

Mr. Martin (Timmins): I would ask the minister whether he would be happy to place such trust in a C.C.F. minister granted these powers?

An hon. Member: No, no.

Mr. Martin (Timmins): If the answer is no, then why should he—

Mr. Grafftey: That is hypothetically ridiculous.

Mr. Martin (Timmins): Why should he place such powers in the hands of a Liberal or Tory minister? There is one difference between this party and others in this regard, and that is we would not give this power to even a C.C.F. minister if we were the government.

An hon. Member: That would be even worse.

Mr. Martin (Timmins): There is no place in a democracy for the granting of power in the way proposed by this bill, without any recourse to appeal. There is no place in a democracy for a provision of this kind, and that is why we support this amendment.

Mr. Pickersgill: Mr. Chairman, the Minister of National Revenue was indeed very careful not to refer directly to anything I said in the hope that I would not reply to his argument. That is a vain hope because I intend to clear up one point at once. I said that a minister under this legislation could do certain things. I did not at any time suggest or insinuate in any way that the present minister would do those things. I am sure the minister will agree with me in that. I do say it is a wrong and unsound principle of government to trust even the most able and upright minister. I should like to quote again from what the right hon. gentleman, who is now the Prime Minister of Canada, said when he was over on this side of the house in 1950 with regard to this precise point. The Prime Minister is reported to have said:

> —and if we are to accept at face value what ministers say, we had better all be absent from this house.

Those words of the Prime Minister ought to be remembered by all members supporting this bill, because it was on the basis of this kind of statement, and on the basis of specious arguments that were made by hon. gentlemen who are now on the treasury benches about their predecessors there, that the Prime Minister made his appeal to the country and got into office. It does seem to me to be most extraordinary that the same gentleman, when on this side said:

> If the cabinet is to be trusted and if we are to accept at face value what ministers say, we had better all be absent from this house.

The Prime Minister is now absent looking after the affairs of other countries than his own.

Some hon. Members: Oh, oh.

Mr. Pickersgill: That is precisely what he is doing.

Mr. Grafftey: Shame.

Mr. Pickersgill: I suggest that anyone who read the account of what the Prime Minister had to say today, as it appeared in the newspapers, would see that he was telling other countries how to run their affairs. I suggest that the Prime Minister has a more urgent task, and that is to deal with the way in which the affairs of this country are being mismanaged. That is what he was elected to do, manage the affairs of this country, not give lectures to other countries.

An hon. Member: That is not worthy of you.

Mr. Pickersgill: I say that if the cabinet is to be trusted, as the Prime Minister said, and if we are to accept at face value what ministers say, we had better all be absent from this house. Yet the gentleman who said that now asks us to trust not just the cabinet, but a single minister and as my hon. friend the Leader of the Opposition said, to trust a single minister in something which heretofore has been subject to appeal.

This bill proposes the taking away of a right. It does not seem to me that it makes any difference whether there are 64 or 6,400 cases in the statutes where there is no right of appeal and never has been. I think the minister will have great difficulty in finding one single case where a right of appeal, which has hitherto existed, has been taken away by this parliament. Surely, the point is that a right of appeal which now exists is being taken away; that which exists now will no longer exist. Notwithstanding the bill of rights, a right which a subject now has will no longer exist if this bill receives royal assent.

I have only one other point to make in regard to the amendment put forward by the hon. member for Ottawa West. It seemed to me that the Minister of National Revenue made a very weak argument indeed when he pointed out that Mr. Bennett provided a tribunal separate from the Department of National Revenue in respect to these appeals. I feel that was a forward step, but I wonder

why this government wants to undo, in some respects, what Mr. Bennett did. The minister has suggested, and I think rightly so, that Mr. Bennett set up a tariff board creating a right of appeal outside the department which had not before existed. When Mr. Bennett's successor came into office that right of appeal was made more complete and precise. This was done by the legislation brought forward in 1936 by Mr. Dunning. The whole trend has been to permit appeals and extend the area of them. This bill, which seeks to undo this, is turning back the clock. As my hon. friend, the Leader of the Opposition, has pointed out, these are not insignificant matters. These are matters which may involve one quarter of a billion dollars' worth of business. These are matters which may affect the profitability of our export industries and their capacity to improve their capital structure. These surely are not insignificant matters, however much the minister may say they are.

Mr. Benidickson: I think many hon. members now sitting in this committee will recall that I protested with some vehemence last week with regard to a tendency that I thought had been developed by the ministry in presenting information to parliament after the opportunity for debate had been concluded. The particular instance to which I refer was the presentation of a document after the time when members of parliament would normally have it brought to their attention, and after debate had concluded in respect of a particular item in the estimates of the Department of Agriculture. I recall the jeers of last week with respect to this item. Hon. members thought perhaps I was not attentive, or something of that nature.

I wish to refer to notice of motion No. 50, which was a request for copies of orders issued by the Minister of National Revenue since December 1, 1958, under provisions of section 38 of the Customs Act. I wish to pay my personal tribute to the Minister of National Revenue who told me today that return to this order had been tabled. I appreciate that courtesy, but other members of parliament would not know about the tabling of this document until tomorrow when they received *Votes and Proceedings,* which are the minutes of the proceedings of the House of Commons. Only then would they have been alerted as to what was available to the public and to our colleagues in the house in connection with the business of the house.

In connection with the report of the grain growers association which was referred to by the Toronto *Telegram,* I wish to repeat that not one member out of the 261 in this house could possibly have known about the availability of the report until the day after the debate had concluded in the house. In this instance, having regard to the matter before us and section 38 of the Customs Act, I thank the minister for drawing the tabling of this document to my attention.

When a committee of this house was set up in 1959, following amendments to the Customs Act in 1958, there was no difficulty whatsoever in providing the estimates committee of this house within a matter of two or three days with a complete list of all orders that had been issued under the new legislation of 1958. I say it is a travesty of the rights of members of parliament, who are seeking information, to receive, despite the courtesy of the Minister of National Revenue, information at the last moment. I would not have known until tomorrow, when *Votes and Proceedings* are published, had it not been for the courtesy of the minister, what was tabled today in the House of Commons. I refer to material which relates to this debate and to the provisions of section 38 of the Customs Act, which was amended in radical form in 1958 by the new government. I appeal to all on the opposite side not to continue this kind of thing. I want to assure them that to the extent that I am capable I will be alert to all kinds of offences of this nature. I referred to some of them when I spoke last week. This is not treating the opposition as they should be treated and I do not think that the Minister of Finance, who is looking askance, the Minister of National Revenue, or anybody else, despite their oratory in past days, will ever find examples of parliament being ignored to the extent that the opposition has been ignored in the past. After all, the opposition is a component of parliament.

As I say, my return was tabled this afternoon. Other members would not know anything about it were it not for the courtesy of the Minister of National Revenue who indicated to me privately that it had been tabled with the Clerk of the House of Commons. Only tomorrow would members of parliament generally learn that the return had been made.

The Chairman: Is the committee ready for the question?

Amendment (Mr. McIlraith) negatived: Yeas, 27; nays, 66.

The Chairman: I declare the amendment lost.

Mr. McIlraith: Mr. Chairman, there is one point that I want to deal with rather briefly. It has to do with the term "custom made to specifications" in clause 2A(1)(a). There seems to me to be a lack of clarity in the language, and I think the Minister of National Revenue rather pointed it up in his own

remarks. It seems to me the reference should be to "user's specifications", so that paragraph (a) would read:

In the case of goods other than goods custom-made to user's specifications.

And so on.

Surely, the phrase "custom made to specifications" should have some further definition in it. Whose specifications? Surely, this should be clarified. I admit it is a small point, but it should be dealt with and I propose moving an amendment adding the word "user's". If I put the amendment formally before the committee, then it will limit the discussion to the narrow point. I move, seconded by the hon. member for Bonavista-Twillingate:

That paragraph (a) of subsection 1 of section 2A be amended by adding the word "user's" in line 10 before the word "specifications".

It would seem to be obvious that if this amendment carries appropriate amendments would have to be made to the other subsections but if it is defeated there would perhaps be no need to cover the ground again.

Mr. Broome: Mr. Chairman, I cannot see anything wrong with the insertion of the word "user's" except that in many cases the specifications are the property of the manufacturer and he is simply meeting a condition of the customer. They are the manufacturer's specifications. There may be modifications to these specifications which are required because of peculiar circumstances with respect to the site, operating conditions or what not, but in very few cases would they be the user's specifications. I can understand the intent of the amendment and I can see that it would perhaps apply to such things as automatic transmissions where the specifications are those of the user, the automobile manufacturing company. If there are facilities in this country for manufacturing such items then the phrase "user's specifications" would be appropriate and I would be all in favour of such a change. However, having a little knowledge of the engineering and machinery field, it seems to me that the amendment would do more to confuse than to help. Although the amendment has merit, in my opinion it would be too limiting.

Mr. Fleming (Eglinton): Mr. Chairman, I should like to make a brief comment. Normally the specifications that are contemplated by the bill would be user's specifications but there may be cases where the specifications are not those of the user. They may be those of the producer, just as the hon. member for Vancouver South has indicated. If it were not for this fact, one would be glad to meet the point raised by the hon. member for Ottawa West. The fact is there may be cases where the specifications are not those of the user although normally that would be the case. For that reason, I think it would be unwise to limit this provision in the bill.

Mr. McIlraith: I should like to ask the Minister of Finance one question on that point. I take it this provision will mean that the manufacturer in Canada can allege that goods are custom made to specifications when in fact they are shelf goods. Surely that was never intended, but as I see it that could be one possibility. It seems to me a more precise definition is required than simply "custom made to specifications". I am not arguing particularly that it should be limited to user's specifications but surely it cannot be left open so anyone can say that it is the specifications of the manufacturer of competitive goods or something of that nature. Surely there must be some tying down of the specifications to some person or group of persons. That is my point.

Mr. Fleming (Eglinton): I do not follow the hon. member in his reasoning, either in his reference to shelf goods or in what he has last said. He is overlooking the fact, I think, that there may be a great deal of engineering work to be done in these situations. The user, the intending purchaser, indicates his problem. He does not lay down hard and fast specifications himself but rather indicates his problem. The manufacturer will then contribute not only the goods but the design and he takes full responsibility for a design to meet the particular need indicated by the intending user. In that case the specifications are not laid down by the user. They are the manufacturer's specifications.

Mr. McIlraith: May I ask a question at that point? Does the design not become a design that the user has procured? It is the user's design at that point although the manufacturer has provided it.

Mr. Fleming (Eglinton): No, that is where I think the hon. member is in error.

Mr. McIlraith: That is the very point. The user may provide the specifications himself or he may procure them from another firm and it may be that the very firm which is to manufacture the equipment will provide them. However, surely they are still the user's specifications. Surely, something more precise than the present language is required.

Mr. Fleming (Eglinton): I am sorry, I do not follow the hon. member and I cannot agree with him.

Mr. Benidickson: Mr. Chairman, when we can afford it the minister and I buy new suits and we buy them from swatches that

may involve importation from a British woollen manufacturing company. I do not know whether that is desirable—

Mr. Broome: Very desirable.

Mr. Benidickson: —but I want to know what the officials think who are sitting in front of the minister tonight with respect to whether the ordering of a woollen worsted suit under such circumstances is considered to be an ordering of shelf goods—as far as I know the goods are not on the shelf when the suit is ordered here in Canada—or whether it is a custom made order. How is the administration likely to administer this kind of provision? People may laugh but this is a very important matter. With all our respect for civil servants, we are giving bureaucrats rights under this bill that are not subject to any appeal in the traditional way to the tariff board, the Exchequer Court of Canada or the Supreme Court of Canada.

I do not want to draw attention to my suit but let us say that a small swatch of suiting has been created in Great Britain for use as a sample in Canada. I am persuaded that the particular pattern is not run off for everybody. They only run off a few yards in order to have possibly 12 inch by 12 inch samples. After their agents have travelled throughout the world and obtained orders, they may then decide on a reasonable run of this suiting in order to fill the orders that have been received.

In such cases there would be a delay of six to nine months from the time of creation of the first small run and I should like the minister to tell me whether or not Canada is going to regard these suitings as shelf goods. In my view they are not on the shelf, but are importers of such goods going to be regarded as importing custom made goods?

Mr. Fleming (Eglinton): Except for the dumping duty, there is nothing in this bill that has any bearing whatever upon suitings.

Mr. Benidickson: I am not going to be put off in that way. I know that on December 20 the minister asserted that there were no rate increases provided here. He stands on that position.

Mr. Bell (Carleton): There is no textile item involved.

Mr. Benidickson: The parliamentary secretary is quite right. There is no specific increase provided in respect of any individual item among the thousands we have in the Customs Tariff. However, as a result of parliament adopting this bill we will find, as we found during the Bennett regime, increases in the amounts of duty by tremendous percentages. There is no question about that. I know that the committee does not want me to repeat the quotations I gave yesterday from reliable sources.

I want to say that there are two things involved here. There is a direct opportunity for the tariff administration in national revenue to make an assessment under the made in Canada or not made in Canada provision. I suggest the department is going to make many decisions in the future that such and such a product is the equivalent of that made in Canada and, as a result, the department will have the right to invoke dumping duties. Otherwise, they have no right to refer to dumping duties.

I want to emphasize to all members of this committee that every student of tariffs has said that he requires no final statute, he requires nothing in the Custom Tariff if he has what was given to this government in 1958 in the way of ministerial discretion. The tariff board has been enlarged. It was said that the final judgments of the board would be worthy and helpful in influencing the administration with regard to recommendations for changes in the tariff schedule. I repeat that from now on if the minister of national revenue has the powers granted by this bill added to the powers given by the bill in 1958, any recommendations from the tariff board, after thoughtful and deliberate discussion, will be a farce.

Amendment (Mr. McIlraith) negatived: Yeas, 25; nays, 71.

The Chairman: I declare the amendment lost.

Mr. Pickersgill: I do not intend to detain the committee with any speech, but since the first amendment moved by the hon. member for Ottawa West has been rejected and it would, therefore, be improper to enter again into an argument on that amendment, I merely wish to say that since the committee has decided it will not recommend to the house that subsection 3 of the section be taken out, I move:

That a new subsection 4 be added to section 2A as follows:

(4) Any ruling made under this section shall be published forthwith in the *Canada Gazette*.

It does seem to me, sir, if we are not going to permit an appeal at least we should make a provision for publicity so that everyone will know what is happening. This does not mean that anything more than the ruling itself needs to be published. However, at least there would be a means for the members of this house, and for everyone, to know what the government was, in fact, doing.

Mr. Benidickson: I do not believe the members of the committee are familiar with the

fact that for many years a very fine periodical has been published by the Department of National Revenue under the title, "Made in Canada Rulings". This is the normal procedure of the Minister of National Revenue, and the rulings relate to what is considered to be made in Canada and what is not made in Canada. I think the minister should tell us to what extent these new amendments will avoid publicizing a decision in the way it has always been publicized. I will give an example. I have here series "D", decision No. 51, dated October 23, 1953, relating to gasoline engine driven fork lift trucks. Precise details are given as to what fork lift trucks are made in Canada and what fork lift trucks are not made in Canada. I think henceforth we in this committee want to know the intention of the Minister of National Revenue in this respect. In respect of a certain article he will reach a decision that it is going to be regarded as possibly being made in Canada and that the tariff rate will be 22½ per cent vis-à-vis the United States instead of 7½ per cent, I think it is, if it was not an article made in Canada.

The point here to which I wish to draw the attention of the Minister of Finance is this. In fairness to everybody across Canada there should be knowledge of what is going to be done. Inasmuch as it has been traditional for these rulings to be made public, what is the intention of the minister? Members of parliament may think we are asking for something that is unusual. However, this is something that has gone out every day in the week in the past. I refer to rulings with respect to what has been made in Canada and what has not been made in Canada, with definitive descriptions of the article involved. I want to know whether, under the new legislation, the Minister of National Revenue is likely to continue that form of advice to all interested in these trades so that, if he makes a decision under the laws that have been passed today, all people will be treated equally.

Mr. Fleming (Eglinton): First, may I point out what the situation is at the present time. Class or kind rulings are all made at the head office of the department here in Ottawa. These rulings are public, although not in the sense that they are today published in the *Canada Gazette*. Copies of the rulings are available to anyone today. Certainly there has been no thought at any time on the part of the government that rulings made under this bill, when enacted, would not be available to the public.

The hon. member's amendment contemplates the addition of a subclause 4 and it reads as follows:

[Mr. Benidickson.]

Any ruling made under this section shall be published forthwith in the *Canada Gazette*.

I had thought that what the hon. member was principally concerned with was the kind of rulings to be made which become final under subclause 3.

Mr. Pickersgill: That is right.

Mr. Fleming (Eglinton): If that is what he has in mind in connection with this amendment, I think we can quickly find ourselves on common ground if he will be prepared to alter the proposed language of the new clause 4 to read after this fashion:

Any decision of the minister with respect to the matters enumerated in subsection 3 shall be published forthwith in the *Canada Gazette*.

Mr. Pickersgill: That amendment will be completely satisfactory to me. I should be very happy to incorporate it in the language the Minister of Finance has just used. It seems to me that is precisely the point. We feel that there should be a certainty in the law that these findings under subsection 3 will be published. I am happy indeed that the Minister of Finance has seen fit to accept this suggestion, I do not pretend to be a legal draftsman and I am very happy to accept the suggestion.

Mr. Benidickson: I, too, thank the Minister of Finance for his acceptance of this advice. I think this means that all in a certain industry are likely to know of ministerial decisions that are made possible by this subsection 3.

Mr. Herridge: I wish very briefly on behalf of this group to say that, while we frequently question the wisdom of the hon. member for Bonavista-Twillingate, in this case we think he has demonstrated some good common sense in putting forward this amendment and we intend to support it. We are also glad to note that the minister has agreed to accept it and that the hon. member for Bonavista-Twillingate has agreed to accept the minister's suggestion with respect to the slight amendment. We believe it is a good thing for the actions of the government under this bill to come into the light of day so that the public will know what is being done. At the same time I think the inclusion of this amendment in the bill will make the government conscious of the fact that the public, or the section of the public that is particularly concerned, will know of the the minister's actions in the administration of this act. While the minister mentioned that there are other means or ways of getting this information or that it is obtainable from other sources, we think that the *Canada Gazette* is the proper medium through which to inform the public of the government's decisions in this respect.

Before concluding my brief remarks I might say that I am under the impression that there must be some mental telepathy on this side of the house because we have been thinking of this matter for some time. That has affected the mind of the hon. member for Bonavista-Twillingate. We are extremely pleased on that account.

Mr. Fleming (Eglinton): So that we may have the amendment in written form, Mr. Chairman, may I say that this is what I have drafted, if it is acceptable to the hon. member who has moved the amendment. The proposed clause 4 to be added would now read as follows:

Any decision of the minister with respect to the matters enumerated in subsection 3 hereof shall be published forthwith in the *Canada Gazette*.

Mr. Pickersgill: That is completely satisfactory to me.

The Chairman: Shall I read the amendment again? Is the committee ready for the question?

Some hon. Members: Question.

The Chairman: Do I understand that the committee agrees to having the first amendment dropped and replaced by this one?

Some hon. Members: Agreed.

The Chairman: Shall the amendment carry?

Amendment agreed to.

The Chairman: Shall clause 1 as amended carry?

Some hon. Members: Carried.

Mr. Pickersgill: On division.

Clause as amended agreed to on division.

Clauses 2, 3 and 4 agreed to.

The Chairman: Shall the title carry?

Title agreed to.

The Chairman: Shall the bill carry?

Some hon. Members: Agreed.

Mr. Pickersgill: On division.

The Chairman: Shall I report the bill.

Some hon. Members: Agreed.

Bill reported.

Mr. Speaker: When shall the said bill be read a third time?

Mr. Pickersgill: Next sitting of the house.

ESTATE TAX

CONVENTION BETWEEN CANADA AND UNITED STATES FOR AVOIDANCE OF DOUBLE TAXATION

Hon. Donald M. Fleming (Minister of Finance) moved the second reading of Bill No. C-82, to implement a convention between Canada and the United States of America for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons.

He said: Mr. Speaker, on February 17 I announced to the house, as recorded at page 2145 of *Hansard*, that an estate tax convention had been concluded between Canada and the United States. The convention was signed in Washington on that day.

Hon. members may be interested to know that this was the first treaty signed by the new United States administration, just as the Columbia river treaty was the last treaty signed by the retiring administration. The purpose of Bill No. C-82 is to implement this convention.

In my statement of February 17 I described in general terms the purposes and effects of the convention. I do not propose to repeat the comments which I then made. I may remind hon. members that the convention is in addition to the existing Canada-United States convention of 1944 which continues to apply to the estates of persons who died before January 1, 1959.

The new convention applies to the estates of persons dying on or after that date, which is the date on which the Canadian Estate Tax Act superseded the Dominion Succession Duty Act. The convention follows the general pattern of the 1944 convention between Canada and the United States and the conventions between Canada and the United Kingdom, France, Ireland and South Africa. Certain desirable changes have, however, been made.

The convention is attached to the bill as a schedule thereto. The bill itself, in both substance and form, is familiar to hon. members who have in recent years perused a good many bills to approve and implement tax conventions. Since the convention, if approved by parliament, would prevail over the Estate Tax Act in the event of any inconsistency, care has been taken in drafting the convention to insure that the taxpayer secures any relief to which he is entitled under the convention without losing any advantage to which he may be entitled under the ordinary law.

The convention will not come into force until it receives legislative approval in both countries and certain formalities are completed. When it comes into force it will be retroactive to January 1, 1959 so as to provide continuity with the existing succession duty convention. Consequently benefits resulting from its terms will apply to the estates of persons dying on or after January 1, 1959.

Mr. Speaker, I think I may reserve my

comments on the major articles of the convention until we are in committee on the bill. I recall that on such measures in times past, because of the fact that they follow a well established pattern, the discussion has been largely confined to the committee stage.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, we are fast approaching the adjournment hour of ten o'clock. This bill involves some technicalities with which I assume very few hon. members of the house are familiar. I confess I am not too familiar with them, although we all participated in the revision of the Canadian Estate Tax Act in 1959, I think it was.

I recall that fairly long and interesting discussions that took place at that time in the banking and commerce committee of this house. I take it that as a result of a rather wholesale revision of Canada's system with respect to the estates of deceased persons, including persons with United States residence who might have a liability, this particular legislation is necessary.

I imagine that having regard to the technicalities involved the Minister of Finance (Mr. Fleming) would be very pleased to accede to my request that we call it ten o'clock. I take it that this does not in any way involve another legislative act that we must pass in the House of Commons relating to a United States-Canadian tax treaty because of the minister's supplementary budget of December. I take it this measure relates only to taxation with respect to deceased persons.

I see it is ten o'oclock. I am sure the Minister of Finance will agree—and I see that the Minister of National Revenue (Mr. Nowlan) agrees—that we could discuss this legislation at another opportunity.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, before you leave the chair perhaps the house leader will tell us, so it will be on *Hansard*, what is proposed for the rest of the week.

Mr. Churchill: Tomorrow we will have third reading of Bill No. C-72 dealing with the Customs Tariff. Then we will continue second reading of Bill No. C-82, which has just been under discussion, followed by item No. 9 on today's order paper, the resolution in the name of the Minister of Labour dealing with the vocational rehabilitation of disabled persons.

If those legislative items are passed we will go on with the estimates of the Post Office Department, northern affairs and justice, in that order.

Mr. Pickersgill: That applies for the rest of the week?

Mr. Churchill: Yes.

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

HOUSE OF COMMONS

Wednesday, April 19, 1961

The house met at 2.30 p.m.

PUBLIC ACCOUNTS

Second report of standing committee on public accounts—Mr. Macnaughton.

FLOODS

METROPOLITAN TORONTO—FEDERAL PARTICIPATION IN CONTROL MEASURES

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, I would like, through you, to inform the house of negotiations now proceeding with the province of Ontario for federal support of flood control measures in the metro Toronto region.

Hon. members will be aware that in 1960 the Ontario government asked us to participate in the metro Toronto and region conservation authority plan for the construction of dams, reservoirs, and channel improvements along the Humber and Don rivers and Black creek. The proposal also involves the use of flood-plain lands for flood control and recreation along five other streams, Etobicoke, Duffin, Highland and Mimico creeks, and the Rouge river.

It is expected that an agreement will shortly be signed under the Canada Water Conservation Assistance Act. Under this agreement the federal government would contribute up to 37½ per cent of the estimated $24 million capital cost of the works. The government of Ontario would contribute a like amount, and the municipalities in the conservation authority the remaining 25 per cent. The plan will also involve the acquisition or zoning of flood-plain lands for flood control and recreation purposes. To use these lands for recreation will require further works amounting to about $2.6 million, which will be met from sources other than the federal government.

The part of the plan affecting Black creek is now fully engineered, and tenders can be called just as soon as the agreement is concluded. These works will cost in total about $4 million, including almost $900,000 which has already been spent by the authority with the assistance of the government of Ontario on a 50-50 cost sharing basis. These works are designed to prevent the recurrence of flood disasters such as the one caused by hurricane Hazel which claimed 81 lives in 1954. The works will also have very important secondary benefits in recreation and in providing a regulated water system.

Hon. Paul Hellyer (Trinity): Mr. Speaker, on behalf of the Liberal party I would like to say that we welcome this announcement on the part of the minister. This rather wide-scale scheme has been under consideration for a long period of time now and it is welcome news that a decision has been taken. With the development of this extended conservation region there will be, as the minister has told us, considerable benefit to the inhabitants of the region. Not only from the standpoint of conserving valuable natural resources but also in limiting the damage which may be done in future from floods and at the same time providing outstanding recreational facilities to the inhabitants for many miles around. We say thank you to the minister for having finally reached a decision, and we hope the works will proceed without any further undue delay.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, cynics might think there is some coincidence between the minister's announcement and the letter Mr. Gardiner received yesterday about the decision of the government not to support the subway scheme, but whether this is cynical or not it is a real advance to Toronto which I have always felt, as an adopted son, has been far more vigorous and attractive than any other city in Canada. I think this will go one step further in making it a genuine model for the rest of Canada.

I would have liked an indication from the minister that this would be a pilot type of project for more than the city of Toronto. We have, for example, in the lakehead region, and I know in other cities as well, similar kinds of authorities that are working to handle flood control and water conservation. I hope this may be merely an initial step which many other metropolitan or urban areas will follow.

STARRED QUESTIONS

VETERANS PREFERENCE, POST OFFICE DEPARTMENT

Question No. 248—**Mr. McWilliam:**

1. Is veterans preference recognized and applied in the selection of postmasters and other personnel for non-civil service staffed post offices by the Post Office Department?

2. If veterans preference is recognized, were there any cases in New Brunswick since July 1957

where veterans applied for, but did not receive, appointments filled by non-veterans?

3. If so, what are the names of these veterans, and for what appointments did they make application?

Hon. W. M. Hamilton (Postmaster General): The answer to the question is as follows:

1. Yes; in the selection of postmasters. There are no other personnel, except part time help which is selected by the postmaster.

2. Yes. During the period since July, 1957, 150 appointments have been made in non-civil service post offices in New Brunswick. In seven cases the veteran applicants could not be appointed as they lacked the necessary qualifications.

The answer to part 3 is a list of these people and the post offices, and I should like the permission of the house to have it printed in *Hansard*.

Mr. Speaker: Has the minister leave of the house to supplement his answer with the additional material and to have it printed in *Hansard*?

Some hon. Members: Agreed.

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

3. Mr. Maxime R. Arsenau, Sheila, N.B.; Mr. Tranquille Chiasson, Pigeon Hill, N.B.; Mr. Joseph Gerard St-Laurent, Tide Head, N.B.; Mr. Robert McLaughlin, Belleisle Creek, N.B.; Mr. James Petrie, Juniper, N.B.; Mr. Arthur McIntosh Bromley, Glassville, N.B.; Mr. Norman H. MacFarlane, Temperance Vale, N.B.; Mr. Walter Blaney, Temperance Vale, N.B.; Mrs. Margaret E. MacFarlane, Temperance Vale, N.B.; Mr. John A. Doucet, Petit Rocher, N.B.; Mr. Omer Ward, Petit Rocher, N.B.; Mr. Adrien Laforest, Petit Rocher, N.B.; Mr. Norman Boudreau, Petit Rocher, N.B.; Mr. Onezime Frenette, Petit Rocher, N.B.

C.N.R. YARDS, TORONTO—VISIT BY ARMY PERSONNEL

Question No. 249—**Mr. Hellyer:**

1. Did Canadian Army personnel visit Canadian National Railways yards in Toronto on March 14 or 15, 1961?

2. If so, what was the purpose of the visit?

Hon. D. S. Harkness (Minister of National Defence): The answer is as follows:

1. Yes.

2. This visit was included in the movement control officers' course which is conducted annually by the R.C.A.S.C. school at Camp Borden. It is the practice, as part of this course, to visit and thereby become familiar with operating segments of the transportation industry in Canada.

[Mr. McWilliam.]

[*Later:*]

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence supplementary to starred question No. 249. Can the minister say whether the visit of the Canadian army movement control personnel to the railway yards in Toronto was connected in any way, either directly or indirectly, with the possibility of a nation-wide railway strike in the not too distant future?

Hon. D. S. Harkness (Minister of National Defence): So far as I am aware there is no connection whatsoever between these two matters.

Mr. Hellyer: Is the minister sure that his awareness is accurate, so that the house can rely on the information he has given?

"CANADA, OUR COUNTRY"—ESKIMO SCHOOL TEXTBOOK

Question No. 250—**Mr. Pigeon:**

1. Has the textbook used in Eskimo schools in new Quebec and entitled "Canada, Our Country" ("Toward Democracy" series), where the union jack is given a place of honour in the title of one of the chapters, been authorized for use in such schools by the Department of Northern Affairs and National Resources?

2. If so, how long is it since this textbook has been in official use?

3. Is it the intention of the department to discontinue the use of this manual?

4. Is English the only language of instruction for young Eskimos, even in that part of Canada which is within the province of Quebec?

5. How long has this situation existed?

6. Would it be possible for teaching to be carried out in French also?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): The answer is as follows:

1 and 2. The book entitled "Canada, Our Country" ("Toward Democracy" series), is not a textbook and it is not authorized for use in schools operated by the Department of Northern Affairs and National Resources. It is a small work book which was used in one classroom at Sugluk as supplementary reading material.

3. Apart from the one instance referred to, the work book has not been in use.

4 and 5. English is the language of commerce and general use throughout the north. In order that the Eskimos may be equipped to secure employment and to conduct business affairs, English is the language of instruction in the schools established by the department of northern affairs for Eskimos generally. This has been the practice in northern Quebec as well as the Northwest Territories since the first departmental

school was established in 1949. It is necessary too, of course, to have the young Eskimos keep in contact with their native culture and language in the interests of family unity and stability.

6. The idea of universal education in the Arctic is comparatively new. In the interests of orderly change and transition, the pace must be matched to the needs of the local population. At the present time it would be difficult to have instruction in the French language for the reasons already indicated. There is the additional problem of shortage of bilingual staff. The schools of the north are staffed by teachers of the same religious faith as the majority of the pupils in the classrooms, and in northern Quebec over 90 per cent of the Eskimo children of school age are of the Anglican faith.

(Translation):

[*Later:*]

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources following the answers he gave to question No. 250.

At what time and by whom has it been decided that English would be the usual language of the Eskimos in the province of Quebec? Is it the intention of the government to consider changing this policy?

I apologize for not giving notice of my question to the minister.

(Text):

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, in reply to the question regarding this policy, as I understand it the school program got under way in the year 1949.

CANNED MEAT DONATIONS, WELFARE PURPOSES

Question No. 251—**Mr. Argue:**

1. How many pounds of canned (a) ham (b) pork luncheon meat, held by the agricultural stabilization board, have been donated for welfare purposes in Canada in each year since December 11, 1959?

2. What administrative channels in each province were used to distribute this to the needy?

3. What criteria were used in judging what organizations or institutions should receive this canned meat, and what body established them?

4. To what authorities in each province was this meat released for distribution?

5. Was any of this canned (a) ham (b) pork luncheon meat, distributed in Ontario for welfare purposes?

6. If so: (a) what was the name and address of each institution, organization, or person receiving it? (b) how many pounds did each receive, and on what dates? (c) from whom, or what authority, did these institutions receive this distribution on each occasion?

Mr. L. E. Cardiff (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, owing to the length of the answer to this question I wonder whether I might be allowed to have it printed and appended to *Hansard.*

Some hon. Members: Agreed.

Mr. Speaker: Has the parliamentary secretary leave to have the answer printed in *Hansard* instead of reading it?

Some hon. Members: Agreed.

Hon. Gordon Churchill (Minister of Veterans Affairs): On that point of printing answers in *Hansard* because some of them are lengthy, may I say this. We have no idea how long they are. Would it not be better to have them passed as orders for returns without filling up the pages of *Hansard*? I think the rules make that provision.

Some hon. Members: No.

Mr. Speaker: If the minister requests that the answer be made an order for return, that can be done.

Mr. Cardiff: That can be done.

Mr. Benidickson: On starred questions?

Mr. Cardiff: There must be a dozen pages of this answer.

Mr. Speaker: Is the minister requesting that the answer to this question be made an order for return?

Mr. Benidickson: Is this not something new in the way of a departure from our procedure?

Some hon. Members: No.

Mr. Churchill: Mr. Speaker, this applies to other questions which are on the order paper. These happen to be starred questions asking for oral answers, but in this instance I understand 12 pages are involved.

Mr. Cardiff: Twenty-four.

Mr. Churchill: There are 24 pages of statistical information, which would unnecessarily clutter up *Hansard.*

Mr. Speaker: The minister has asked that the question be made an order for return.

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

UNEMPLOYMENT STATISTICS

Question No. 253—**Mr. Skoreyko:**

1. What is the number of men unemployed in the age groups 20 to 34, 35 to 54, and 55 and over?

2. What is the number of men unemployed in the major seasonal industries (e.g., primary industries and construction) in the winter months as compared to summer months in recent applicable years?

3. How many single women are unemployed, and how many married women are unemployed?

Starred Questions

4. How many men and how many women in the age group 65 and over are unemployed?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, the answers to this question are as follows:

1. The estimated numbers of men unemployed in the week ended March 18, 1961, in the various age groups are as follows:

20-34 years, 258,000; 35-54 years, 214,000; 55 years and over, 82,000.

2. The estimated numbers unemployed, both sexes, in the major seasonal industries during the winter months and summer months of 1960 are as follows:

	Primary Industries	Construction
First quarter, 1960 ..	91,000	174,000
Third quarter, 1960 ..	34,000	65,000

3. In the week ended March 18, 1961, the estimated number of single women unemployed was 42,000 and the estimated number of married women unemployed was 25,000.

4. In the week ended March 18, 1961, the estimated numbers unemployed in the age group 65 and over are as follows:

Men, 16,000; Women, less than 10,000.

APPOINTMENT OF CENSUS COMMISSIONERS, B.C.

Question No. 254—**Mr. Herridge:**

1. With respect to the appointment of census commissioners for British Columbia, were any of them appointed on the recommendation of (a) members of parliament (b) defeated candidates (c) officials of Progressive Conservative associations?

2. If so, what are the names of the census commissioners appointed under recommendations of (a) members of parliament (b) defeated candidates (c) officials of Progressive Conservative associations?

3. By whom were the recommendations made in each category?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, the answers to parts 1, 2 and 3 of this question are as follows. The appointments of the temporary census commissioners required for the census are exempted from the provisions of the Civil Service Act—T.B. 563112 of May 19, 1960—and the selection of these employees is left to the Minister of Trade and Commerce.

The appointment of each commissioner was made on the basis of his qualifications, which were as follows: a good education with subsequent professional or business experience in a supervisory capacity; intimate knowledge of the census district; proven executive and organizing ability; tact, good judgment and ability to deal with the public.

In making these appointments the minister did receive recommendations from various people, including members of parliament.

Mr. Argue: You are not kidding anybody.

[Mr. Skoreyko.]

CIVILIAN FIREFIGHTERS, R.C.A.F.

Question No. 255—**Mr. Creaghan:**

1. What was the total number of civilians employed as firefighters by the Department of National Defence at Royal Canadian Air Force establishments in Canada as of March 31, 1961?

2. Where were they so employed, and how many at each location?

3. Has the department commenced negotiations with any municipal government since March 31, 1961, for the purpose of entering into contracts to purchase fire protection for R.C.A.F. establishments?

4. If so, what are the names of the municipalities?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, the answer to part 1 of the question is 216 established positions.

As the answer to part 2 involves a detailed list giving the names of stations and the number of positions at these stations, I would ask that the list be printed at this point in *Hansard,* if that is agreeable to the house.

3. Yes.

4. Moncton, New Brunswick and Shediac, New Brunswick.

Mr. Speaker: Perhaps the minister would indicate how much material he is asking to have printed in *Hansard.*

Mr. Sevigny: One page.

Mr. Speaker: Does the house give its consent that the answer to part 2 of the question be printed?

Some hon. Members: Agreed.

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

2. Alberta

Station Lincoln Park, Calgary	12
Detachment, 711 East Calgary ..	12
Detachment, Vulcan	12
Detachment, Lethbridge	12
Detachment, Claresholm	12
Total	60

Manitoba

Station Lincoln Park Detachment, MacDonald	12
Total	12

Ontario

Station Downsview Detachment, Weston	14
Station Trenton Detachment, Dunnville	12
Detachment, Mountain View	12
Detachment, Fingal	12
Station Camp Borden, Detachment Angus	12
Station Clinton	13
Total	75

Quebec	
Station St. Jean Detachment C.M.R.	12
Total	12
New Brunswick	
5 SD, Moncton	12
Detachment, Scoudouc	12
Detachment, Lakeburn	12
Total	36
Newfoundland	
Station Torbay	21
Total	21
Grand Total	216

BENEFIT CANCELLATIONS, UNEMPLOYMENT INSURANCE

Question No. 256—**Mr. Roberge:**

How many claimants for benefits under the Unemployment Insurance Act have had their benefit entitlements cancelled as a result of cancellation of contributions during each of the months of January, February, and March, 1961?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, the number of persons whose benefit entitlements were cancelled as a result of cancellation of contributions found to have been non bona fide was, January 1961, 1,054; February 1961, 1,150. The information for March, 1961, is not yet available.

FERRY SERVICE, EAST COAST-NEWFOUNDLAND

Question No. 257—**Mr. Pickersgill:**

1. Has the government given any consideration to the establishment of an east coast ferry to ply between the mainland of Canada and either Argentia or St. John's, Newfoundland?
2. If so, at what time was such consideration given, and what is the result of the consideration?
3. When is it expected that this matter will be brought to a conclusion?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the answer which I gave on March 29 to a similar question by the hon. member for Cape Breton North and Victoria covers this matter, and at the present time there is nothing I can add to that answer.

RELIEF ORDERS, MANITOBA INDIANS

Question No. 258—**Mr. Pickersgill:**

1. Is any direction given by any official of the Indian affairs branch to Indians in Manitoba as to the storekeepers to whom relief orders should be presented?
2. If so, what is the nature of these directions, and under what authority are they being given?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, the answer to this question is that in the majority of cases where relief costs are met from appropriation the choice of supplier is left to the discretion of the Indian recipient and no direction in the matter is given by officials of the Indian affairs branch. In some instances due to local circumstances, it may be desirable to designate specific outlets.

C.B.C. INTERNATIONAL SERVICE—PERSONNEL TRANSFERS

Question No. 259—**Mr. Cardin:**

1. How many of the twenty-one employees of the Canadian Broadcasting Corporation international service, who are being displaced by curtailment of the service, have been transferred to other continuing positions?
2. How many so transferred have had their remuneration reduced?
3. Have employees not yet transferred been retained by the C.B.C. since March 31?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): In reply to this question, the information supplied by the Canadian Broadcasting Corporation is as follows:

1. Twelve employees transferred to continuing positions. Two employees transferred to temporary positions.

2. Seven of those transferred to continuing positions have had their remuneration reduced. Two of those transferred to temporary positions have had their remuneration reduced.

3. No employees have been retained by the corporation since March 31.

Two of the 21 employees in question were on post retirement employment and have now been retired; two more voluntarily resigned to seek employment elsewhere, and three others were separated when they did not accept alternative employment offered by the corporation.

DAYLIGHT SAVING TIME, RAILWAY SCHEDULES

Question No. 260—**Mr. Deschatelets:**

1. Has any consideration or study been given recently to the possibility of the adaptation of daylight saving time in railway time schedules?
2. If so, what is the substance of the decision in regard to any such consideration or study?
3. If not, will the government consider having this question referred to the appropriate authority for study?

Hon. Leon Balcer (Minister of Transport): With regard to part 1 of the question, it should be first pointed out that standard time comes exclusively under provincial jurisdiction and therefore is not a subject for consideration by the federal government. However, the question was referred to the railway association of Canada, who advise that from time to time representations are made that the railways should adopt daylight saving time, and that these requests are given careful consideration.

Starred Questions

As to part 2, the railway association does not consider that the adoption of daylight saving time would be workable. The practice is not uniform throughout Canada, there being some provinces, and communities within provinces, which do not put it into effect, and the association also points out that in the operation of trains requiring interchange with United States railways, which operate on standard time, it is essential in the interests of safety that Canadian trains be operated on the same basis. However, before changing the timetables each year to coincide with the adoption of daylight saving time, the association consults with the provinces and the larger municipalities in an endeavour to provide schedules which will meet the convenience of the majority of passengers.

Part 3 is answered by the answer to part 1.

GARIBALDI PARK, B.C.

Question No. 261—**Mr. Taylor:**

1. Has any offer been made to secure Garibaldi park in British Columbia as a national park?
2. If so: (a) What was the date of the offer, which minister made it, and to whom was it made? (b) Was it accepted by the provincial government of British Columbia? (c) Is it still open?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): In answer to both parts of the question I would refer the hon. member to page 6850 of *Hansard* for July 23, 1960 when reference was made to this matter during the debate on the 1960-61 estimates of the Department of Northern Affairs and National Resources. At that time the minister pointed out that on May 2, 1958 he had written to the minister of recreation and conservation in British Columbia, Hon. Earle Westwood, proposing that if British Columbia were willing to turn the area over to the federal government free of all encumbrances the matter would be brought before the federal government for consideration and, should it be viewed favourably by the government, the Department of Northern Affairs and National Resources would take over the area in accordance with the National Parks Act and proceed with a program of development.

There has since been no change in the position. I might add that no reply to this letter was ever received.

CROWN CORPORATIONS—PERSONNEL EMPLOYED

Question No. 263—**Mr. MacRae:**

What was the total number of personnel employed in crown corporations as of March 31, 1960, and March 31, 1961?

[Mr. Balcer.]

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): Since the answer to this question is necessarily long, I wonder if it could be included in the record of *Hansard*. It consists of approximately one page.

Mr. Speaker: What is the extent of the answer?

Mr. Morris: It consists of approximately one page.

Mr. Speaker: Has the parliamentary secretary leave to have his answer printed in *Hansard* at this point?

Some hon. Members: Agreed.

[*Editors note: The answer referred to above is as follows:*]

Personnel employed by agency and proprietary corporations and other government of Canada agencies as at March 31, 1960 numbered 140,726; and at January 31, 1961 numbered 134,455 (the latest figure available).

The figures include all employees of the following:

Agency Corporations: Atomic Energy of Canada Ltd., Canadian Arsenals Ltd., Canadian Commercial Corp., Canadian Patents and Development Ltd., Crown Assets Disposal Corp., Defence Construction (1951) Ltd., National Battlefields Commission, National Capital Commission, National Harbours Board, Northern Canada Power Commission.

Proprietary Corporations: Canadian Broadcasting Corp., Canadian National Railways, Canadian Overseas Telecommunication Corp., Central Mortgage and Housing Corp., Cornwall International Bridge Company Ltd., Eldorado Aviation Ltd., Eldorado Mining and Refining Ltd., Export Credits Insurance Corp., Farm Credit Corporation, Northern Transportation Company Ltd., Polymer Corporation Ltd., St. Lawrence seaway authority, Trans-Canada Air Lines.

Other Agencies: Bank of Canada, Canadian wheat board, Industrial development bank, Northern Ontario Pipe Line Crown Corp., office of the custodian.

C.N.R. PURCHASES OF TRUCKING COMPANIES

Question No. 264—**Mr. Fisher:**

1. What were the names, locations, senior management officials, value of assets, rolling stock, number of employees, of the trucking companies purchased by the Canadian National Railways in the past two years?
2. Are the original management personnel of these firms still managing them? If not, in which companies have they been displaced?
3. Is there any litigation or notification of litigation between any of these companies and the agents for the sale of the companies to the railway? If so, what companies, and for what general reason?

Hon. Leon Balcer (Minister of Transport): This question should stand as an order for return.

C.N.R. DEFICIT IN RESPECT OF TRUCKING FIRMS

Question No. 265—**Mr. Fisher:**

1. Of the Canadian National Railways deficit for the last fiscal year, how much of the deficit is attributable to operations of those trucking companies purchased within the last two years by the C.N.R.?
2. Has the government auditor examined the accounts of these companies for the last financial year?
3. Are such deficits determined, if any, simply on operating revenues and operating disbursements, or do they include the charges for the money required to purchase the trucking firms?

Hon. Leon Balcer (Minister of Transport): This question too, should be made an order for return.

DR. MARCEL CHAPUT

Question No. 266—**Mr. Fisher:**

Does the defence research board have in its employ a Dr. Marcel Chaput? If so, is this the Dr. Chaput who is the national vice-president of the "rassemblement pour l'independance nationale"?

Hon. D. S. Harkness (Minister of National Defence): This question is in two parts. The answer to both parts is in the affirmative.

[*Later:*]

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I would like to ask the Minister of National Defence a supplementary question in regard to the answer he gave to this starred question. I would like to ask whether Dr. Chaput, who has turned out to be an employee of the defence research board and vice president of this organization which I understand seeks national independence for Quebec or French Canada, is in a position within the defence research board that might make him privy to any military or other secrets.

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, Dr. Chaput is engaged at the present time in some investigations in regard to survival techniques which we hope to have everyone in Canada made aware of and practise.

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Speaker: Are there any questions to be made orders for returns?

Mr. W. M. Benidickson (Kenora-Rainy River): May I rise on a point of order, Mr. Speaker. Your Honour is chairman of a current committee of the house, which I do not attend, relating to the revision of the rules. As I understand it, the revision of the rules in 1955 provided for starred questions for the first time. I will admit immediately that I cannot say positively that we have never before had a starred question made an order for return, but I suggest to Your Honour that this might be considered by your committee. On many occasions we have had a suggestion such as—

Mr. Speaker: Order. The hon. member would be in order in raising a point of order about the disposition of questions today, but he would not be in order in making suggestions for the committee which has been appointed by the house.

Mr. Benidickson: Mr. Speaker, I thought I was restrained and in order in my comments on the new procedure which, as I understand it, developed today. I waited until the end of starred questions to make the suggestion I have offered.

Hon. Gordon Churchill (Minister of Veterans Affairs): There is nothing new in the procedure at all. It is clearly shown in standing order 39, which permits a member to ask for an oral answer to his question. This is provided for in subsection 2 (a): the hon. member puts an asterisk in front of the question. Subsection 5 of the same rule reads as follows:

If a question is of such a nature that, in the opinion of the minister who is to furnish the reply, such reply should be in the form of a return, and, during the question period on Wednesday, the minister states that he has no objection to laying such return upon the table of the house, his statement shall, unless otherwise ordered by the house, be deemed an order of the house to that effect and the same shall be entered in the *Votes and Proceedings* as such.

It has been done before, and it was never the intention of the committee, when the rules were changed in 1955, that this practice of having orders for returns should be abolished. Even if an hon. member wishes an oral answer to his question, it is left to the judgment of the minister whether that oral answer can be provided later, or whether it is a lengthy one. If it is lengthy, then an order for return is the proper procedure.

Mr. Speaker: Perhaps the point of order has been sufficiently answered. The rule provides for questions being made orders for returns at the request of a minister. Perhaps the only point in issue raised by the hon. member for Kenora-Rainy River is whether this rule applies to starred questions.

Mr. Benidickson: Yes.

Mr. Speaker: I think it has been made quite clear that it does apply to starred questions. This procedure is provided for in the report of the special committee appointed

to consider with Mr. Speaker the procedure of the House of Commons, which was presented on Tuesday, June 14, 1955, and adopted by the house. In that report at page 37 there occurs this paragraph:

When it is desired to have any starred questions passed as an "order for return", or to have any such questions stand as a "notice of motion", a minister will so indicate when the said question is called on a Wednesday.

Are there any questions to be made orders for returns?

Mr. Balcer: Yes, Mr. Speaker.

PETITION ON BEHALF OF JOHN BRODIE, JR., JASPER

Question No. 168—**Mr. Argue:**

1. Has a petition of protest from the citizens of Jasper been received on behalf of Mr. John Brodie, Jr., by the Prime Minister?
2. If so, what reply has been made?
3. For what length of time, and in what capacities has Mr. Brodie been employed by the federal government?
4. Did he attempt a civil service commission examination in 1960?
5. If so, (a) what were the results of the examination (b) for what position was the examination?
6. Was he sworn in to a civil service position in 1960?
7. If so, (a) on what date (b) in what position?
8. Was he subsequently told that his services were no longer required?
9. If so, for what reason?

CANNED MEAT DONATIONS, WELFARE PURPOSES

Question No. 251—**Mr. Argue:**

1. How many pounds of canned (a) ham (b) pork luncheon meat, held by the agricultural stabilization board, have been donated for welfare purposes in Canada in each year since December 11, 1959?
2. What administrative channels in each province were used to distribute this to the needy?
3. What criteria were used in judging what organizations or institutions should receive this canned meat, and what body established them?
4. To what authorities in each province was this meat released for distribution?
5. Was any of this canned (a) ham (b) pork luncheon meat, distributed in Ontario for welfare purposes?
6. If so: (a) what was the name and address of each institution, organization, or person receiving it? (b) how many pounds did each receive, and on what dates? (c) from whom, or what authority, did these institutions receive this distribution on each occasion?

C.N.R. PURCHASES OF TRUCKING COMPANIES

Question No. 264—**Mr. Fisher:**

1. What were the names, locations, senior management officials, value of assets, rolling stock, number of employees, of the trucking companies purchased by the Canadian National Railways in the past two years?
2. Are the original management personnel of these firms still managing them? If not, in which companies have they been displaced?

[Mr. Speaker.]

3. Is there any litigation or notification of litigation between any of these companies and the agents for the sale of the companies to the railway? If so, what companies, and for what general reason?

C.N.R. DEFICIT IN RESPECT OF TRUCKING FIRMS

Question No. 265—**Mr. Fisher:**

1. Of the Canadian National Railways' deficit for the last fiscal year, how much of the deficit is attributable to operations of those trucking companies purchased within the last two years by the C.N.R.?
2. Has the government auditor examined the accounts of these companies for the last financial year?
3. Are such deficits determined, if any, simply on operating revenues and operating disbursements, or do they include the charges for the money required to purchase the trucking firms?

MOTIONS FOR PAPERS

URANIUM—CURTAILMENT AND ALLOCATION OF CONTRACTS

Motion No. 103—**Mr. Argue:**

For a copy of all correspondence, telegrams, and other documents exchanged between the federal government, or any agency thereof, and by provincial government, organization or company, since February 22, 1960, pertaining to (a) the curtailment of (b) the allocation of, uranium contracts.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, with the consent of the hon. member for Assiniboia I would ask that this motion be allowed to stand. One of the cases is now before the courts and it might be prejudicial to make public such information as has been requested. We would like to examine the document.

Mr. Speaker: Stand.

Question stands.

TRANS-CANADA HIGHWAY—CORRESPONDENCE WITH QUEBEC

Motion No. 106—**Mr. Bourbonnais:**

For a copy of the correspondence, telegrams, and other documents exchanged since October 27, 1960, between the government of the province of Quebec and the Department of Public Works, in connection with the trans-Canada highway.

Mr. Y. R. Tassé (Parliamentary Secretary to the Minister of Public Works): This motion is acceptable, subject to the usual reservation as to the consent of the government of the province of Quebec.

Mr. Speaker: Subject to the limitations expressed by the parliamentary secretary, is it the pleasure of the house to adopt the motion?

Motion agreed to.

SOULANGES CANAL—USE AS TOURIST PARK, ETC.

Motion No. 107—**Mr. Bourbonnais:**

For a copy of the correspondence and other documents exchanged since January 1, 1959, with the department of fish and game of the province of Quebec, in connection with the use of the Soulanges canal as a tourist park and a centre of pisciculture.

Hon. Leon Balcer (Minister of Transport): There is no objection to this motion, subject to the usual reservation as to the consent of the province.

Mr. Speaker: Subject to the reservation expressed by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

POST OFFICE, FRASERWOOD, MAN.

Motion No. 108—**Mr. Benidickson (for Mr. Pickersgill):**

For a copy of the replies of the Postmaster General or his officials to the communications regarding the post office at Fraserwood, Manitoba, included in sessional paper 119E tabled on March 27, 1961.

Motion agreed to.

EXTERNAL AFFAIRS

CUBA—REQUEST FOR INFORMATION ON COUNTER-REVOLUTION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Can the Prime Minister give the house any information on the situation in Cuba?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in so far as the military situation is concerned, there is nothing to add to that which has appeared in the press. During the past two days official means of communication have been interrupted and it has not been possible for the Canadian embassy to communicate with the government since about noon on Monday. For the same reason we are unable to give any information respecting the safety and well-being of Canadian citizens in Cuba.

The Canadian government is following events in Cuba with much anxiety and deep concern. The struggle between the contending groups has taken on a new and more threatening aspect with the dispatch by Chairman Khrushchev of a message which revealed beyond doubt the extent to which international communism is prepared to go in consolidating its foothold in Cuba, a bridgehead from which the penetration of the whole of Latin America could be launched.

It is now all too clear that the situation in Cuba is much more than a continuation of the original internal revolution which was to a large extent an expression of the legitimate social and economic aspirations of the Cuban people. Cuba, like so many small and defenceless countries, has become the focal point in the ideological contest which is progressively reaching into every corner of the world. In our country we cannot be indifferent to this new danger which affects the hemisphere in which we live.

Cuba is a casualty of the internationalization of its original revolution. In this process the interests of the Cuban people have been subordinated to the interplay of outside forces beyond their control. Civil liberties are further curtailed in the name of national security, and arbitrary acts of reprisal have become a substitute for justice. These are manifestations of a dictatorship which are abhorrent to free men everywhere.

Any threat to the peace of this hemisphere affects us here in Canada. We have neither the means nor the intention to intervene. What we earnestly wish to see established are stable conditions within Cuba which will allow it to develop in peace and live free from outside pressures as a constructive partner of the nations of the western hemisphere.

As the Leader of the Opposition knows, the matter is before the United Nations. Seven Latin American countries have proposed a resolution to bring about the restoration of peaceful relations at the earliest possible date through placing the matter in its various aspects before the organization of American states.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, arising out of the Prime Minister's reply, which we appreciate, I should like to ask a supplementary question. In view of the anxiety and concern expressed in Canada, Great Britain, South America and elsewhere over the threat to world peace of the present situation in Cuba, will the government use every means at its disposal to impress upon the government of the United States the immediate necessity of doing what is possible to promote peace in that area, and of utilizing the United Nations to assist and promote the development of democratic institutions and the stability of the Cuban economy?

Mr. Diefenbaker: Mr. Speaker, there is very little I can add to what I have already said. I might say, however, that this morning the Secretary of State for External Affairs had a meeting with Mr. Adlai Stevenson, the United States ambassador to the United Nations, and discussed this matter in all its ramifications and effects. I think I cannot go any further.

Inquiries of the Ministry

LAOS—INQUIRY AS TO CURRENT SITUATION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, as the Prime Minister has reported on one phase of the apparently deteriorating situation throughout the world, will he say what is the situation now with regard to developments in Laos, in view of the uncertain quality of the Russian note to Her Majesty's government in the United Kingdom?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think the house would not object to my voicing a word of welcome to the hon. member. The house is not the same without his penetrating capacity to ask questions.

So far as Laos is concerned, as the hon. member has said the reply given was of such a nature as to leave in doubt the course that will be followed in Laos. The Soviet views, however, on a cease fire in Laos, the reactivation of the international supervisory commission, and the convening of a conference to consider a Laotian settlement were made known to the United Kingdom ambassador in Moscow on April 16. As neither the Soviet government nor the United Kingdom government has publicly revealed the contents, there is little that one can say. The Soviet views are being studied by the governments principally concerned. The latest communications do not fully clarify the Soviet position, and further consultations and exchanges will be required before a definite plan for negotiating a settlement can be expected.

OTTAWA—REPORTED SHOOTING OF INDIAN HIGH COMMISSION SECRETARY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Minister of Justice. Has the minister any information with respect to the shooting in Ottawa this afternoon of the first secretary of the high commissioner for India?

Hon. E. D. Fulton (Minister of Justice): No, Mr. Speaker, I have not. I have no reason to question the accuracy of the hon. member's statement, but I have not heard about the matter. If what the hon. member says is correct, I am certain it is a matter of profound regret to all of us.

HOUSING

SECONDARY MORTGAGE MARKET—REQUEST FOR INFORMATION AS TO REGULATIONS

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the Minister of Public Works or the acting minister whether it is the intention of the government to acquaint members of parliament with the new regulations governing the proposed establishment of an effective secondary mortgage market before the minister's estimates are presented for consideration by the house?

Hon. George C. Nowlan (Acting Minister of Public Works): Mr. Speaker, I will draw the attention of the minister to this question, and I am sure he will answer it immediately after his return.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Minister of Finance. Since the house will today pass the last piece of legislation flowing from the baby budget, may I ask the minister when the Canadian people should prepare themselves for more bad news expected by way of another budget?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I am sorry but I heard only about one word in ten that the hon. member uttered. I wonder whether he would be good enough to put his question again.

Mr. McMillan: I will repeat my question. Since the house will today pass the last piece of legislation flowing from the baby budget, may I ask the minister when the Canadian people should prepare themselves for more bad news expected by way of another budget?

Mr. Speaker: There are certain aspects of the question which perhaps I should deal with before the minister deals with the kernel of an inquiry concealed therein. The first part with respect to whether the house will pass a bill today is hypothetical and the second part, of course, makes a positive statement which does not indicate a search for information.

Mr. Fleming (Eglinton): Mr. Speaker, may I say that on the basis of my past record I think the hon. member knows well that I am always a harbinger of good news, not bad news.

HOUSE OF COMMONS

CONGRATULATIONS TO MR. SPEAKER ON BIRTHDAY ANNIVERSARY

On the orders of the day:

Hon. Donald M. Fleming (Minister of Finance): While I am on my feet, Mr. Speaker, I should like to acquaint the house with the

fact that this is a very important day. It happens to be the 61st birthday of the Speaker of the House of Commons, and I know we would all wish—

Some hon. Members: Hear, hear.

Mr. Fleming (Eglinton): To complete my sentence, I am sure all members would wish to extend to you their very hearty congratulations and best wishes for many happy returns of the day.

Mr. Speaker: I thank hon. members, and particularly the minister for completing his sentence.

(Translation):

DOMINION-PROVINCIAL RELATIONS

QUEBEC—REPORTED STATEMENT BY MEMBER OF LEGISLATURE

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, may I direct a question to the Minister of Transport? Has the minister seen, in this morning's *Gazette*, a statement made yesterday by the Quebec leader of the opposition, in which he criticizes and rejects joint programs between Quebec and Ottawa, which will involve expenditures of about $141 million? As a leader of the Conservative party in Quebec, does the minister share the views of Mr. Talbot on this matter?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I have not read the article referred to.

Mr. Deschatelets: Mr. Speaker, may I ask—

(Text):

Mr. Speaker: If the hon. member will reflect on his question I think he will conclude that it is not in accordance with our usual practice to have such questions, and that therefore a supplementary would be out of order.

(Translation):

[*Later:*]

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I should like to direct a question to the Minister of Transport. Could he tell us whether or not he and his Quebec colleagues in the cabinet favour the joint program between Quebec and Ottawa?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I have not read that article in the *Gazette*, but I am quite familiar with the part of the speech which is being referred to. In fact, that part of Mr. Talbot's speech contained a statement to the effect that, in his opinion, it was somewhat ill-beseeming for the Quebec premier to sign all those agreements and, immediately afterwards, to denounce them.

An hon. Member: That is true.

TRANS-CANADA AIR LINES

MONTREAL—REPORTED INSTRUCTIONS RESPECTING USE OF FRENCH LANGUAGE

On the orders of the day:

Mr. Louis Fortin (Montmagny-L'Islet): Mr. Speaker, my question is directed to the Minister of Transport. I assume the minister has this morning read a letter dated April 18 which appeared in *La Presse* under the signature of Marc Theberge of Montreal.

Mr. Theberge complains that Trans-Canada Air Lines in Montreal have refused him information in the French language. The official involved, one Mr. Dagenais, allegedly stated that he had orders to this effect from the company and would be threatened with dismissal if he failed to comply.

Would the minister investigate the matter, which I consider most important, and if the facts alleged by Mr. Theberge are found to be true, would the minister see that this official, who has shown such poor judgment, stop treating French Canadians, particularly in Quebec, like a bunch of idiots.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I thank the hon. member for calling my attention to this letter. I must say, in the first place, that in view of the ridiculous allegations contained in that letter, I have serious doubts as to their truth. In any event, I shall order a full investigation of the matter.

PUBLIC SERVICE

REPORTED NEW POST FOR ASSOCIATE DEFENCE MINISTER

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, I should like to direct a question to the Associate Minister of National Defence. Could the minister comment upon a newspaper report to the effect that the minister intends to accept an invitation to become ambassador to Portugal?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, with all due deference to any wishes of my hon. friend from Richelieu-Vercheres, I intend to have a long and fruitful political career.

Inquiries of the Ministry

CANADIAN BROADCASTING CORPORATION

STATEMENT ON TRIP TO EUROPE FOR INTERVIEW

On the orders of the day:

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, on March 22 the hon. member for Montmagny-L'Islet (Mr. Fortin) asked a question about the Canadian Broadcasting Corporation. I now have the answer to that question.

The news service of the C.B.C. French network has a permanent special envoy in Paris whose services, for the last 18 months, have ranged through Europe, Africa and the Middle East. The C.B.C. also hires a certain number of free-lance journalists, but these merely manage to answer specific requirements of news services from day to day. For its public affairs programs, the C.B.C. calls upon other newspapermen, career journalists, preferably Canadians, for major reporting and interviewing of contemporary outstanding personalities. When a Canadian journalist is sent abroad, his assignment covers several established programs. It was for such a purpose that Mr. Gerard Pelletier was sent to North Africa to produce several programs.

Under the circumstances, the extra travelling expenses between Algeria and Geneva, since Mr. Pelletier was practically on the spot, were not very considerable.

Mr. Pigeon: What did they amount to?

(Text):

TRANSPORT

METROPOLITAN TORONTO—REPORTED REQUEST FOR SUBWAY LOAN

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, in view of the fact that the Minister of Public Works is in Toronto today opening postal station E for the second time, I should like to direct a question to the Minister of Finance. Is the Minister of Finance in a position to say whether the government has agreed to make the loan requested by the corporation of metropolitan Toronto to accelerate the construction of an east-west subway?

Hon. Donald M. Fleming (Minister of Finance): A letter has been written to Mr. Gardiner, the chairman of the council of metropolitan Toronto, by the Prime Minister in respect to that subject. It is dated April 17.

Mr. Hellyer: Mr. Speaker, I would like to ask a supplementary question. Would the Minister of Finance say that the brief answer was no?

[Mr. Sevigny.]

Mr. Fleming (Eglinton): Mr. Speaker, the purport of the letter is that the case put forward by the city of Toronto cannot possibly qualify under existing legislation.

Mr. Hellyer: I would like to ask one further supplementary question, Mr. Speaker. Does the minister propose to introduce legislation which would make such a loan possible?

Mr. Fleming (Eglinton): Mr. Speaker, if the government should form such an intention I am sure the hon. member would learn of it as soon as other hon. members, if he was in his place in the house at the appropriate time.

Mr. Hellyer: I will be a lot older than I am now.

INQUIRIES FOR RETURNS

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, on behalf of my usual deskmate, who has suffered a grievous loss today, I have been asked to ask either the Minister of Public Works or his parliamentary secretary to refer to *Hansard* at page 3659, and request an early reply to that request for information with respect to federal-provincial negotiations.

Mr. Y. R. Tassé (Parliamentary Secretary to the Minister of Public Works): Mr. Speaker, in the temporary absence of the minister, I will draw it to his attention on his return.

Mr. Hubert Badanai (Fort William): Mr. Speaker, I would like to direct a question to the Secretary of State. I would like to ask the secretary when this house can expect an answer to my question No. 132 which was passed as an order for return on March 22, 1961. The question was as follows:

1. What was the amount of money spent on advertising by each department of government during the calendar year 1960?
2. What was the value of advertising placed by those departments with each advertising agency which received such business from the government during the calendar year 1960?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I will draw this question to the attention of the Secretary of State.

CUSTOMS TARIFF

Hon. Donald M. Fleming (Minister of Finance) moved the third reading of Bill No. C-72, to amend the Customs Tariff.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I simply want to make a short comment. The Minister of Finance was gracious last night at five minutes to ten in allowing an adjournment with respect to this motion for second reading.

Mr. Bell (Carleton): This is the other bill.

Mr. Fleming (Eglinton): May I point out to the hon. gentleman that we are on Bill No. C-72, an act to amend the Customs Tariff.

Mr. Benidickson: We are talking at the moment, Mr. Speaker, I take it on third reading of the bill to amend the Customs Tariff. That is perfectly correct. I misunderstood the arrangement. The next item will be the matter of the estates tax agreement with the United States.

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

Some hon. Members: Carried.

Mr. Argue: On division.

Mr. Speaker: Carried on division.

Motion agreed to on division and bill read the third time and passed.

ESTATE TAX

CONVENTION BETWEEN CANADA AND UNITED STATES FOR AVOIDANCE OF DOUBLE TAXATION

The house resumed, from Tuesday, April 18, consideration of the motion of Mr. Fleming (Eglinton) for the second reading of Bill No. C-82, to implement a convention between Canada and the United States of America for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, we are now on second reading of a bill with respect to a tax agreement by treaty with the United States for the avoidance of double taxation. As I understand it, this agreement results from an attempt by Canada, and other countries with which Canada is in close touch in these matters, to avoid double taxation. Of course, I understand that the rather radical revision of our law with respect to estates of deceased persons in 1958 made this agreement necessary. We even changed our terminology from succession duty act to estates tax.

Hon. members in assembly here will recognize that the effective date of the new policy was to be January 1, 1959. Before the debate is concluded I would hope that the Minister of Finance (Mr. Fleming) would indicate to us all what the effect has been since January 1, 1959, and the enactment of this law relating to estates that are dealt with in the legislation before us. Under the old provisions which many members of this house discussed in 1958 in the banking and commerce committee under the chairmanship of the hon. member for York North (Mr. Cathers), we then were aware that $5,000 of estate was exempt from taxation on both sides of the border if owned by a decedent on either side of the border. However, I believe this was a disappearing exemption to the extent that, if it was $6,000 in ownership in a country other than the residence of the decedent—Canada or the United States and vice versa—a tax was applicable on the whole amount of the estate.

I do not think that situation is changed under this tax treaty. However, as I understand it—and I hope the minister will inform me and the country about this matter—instead of what we talked about in the committee of banking and commerce in 1958 as a $5,000 fundamental exemption, we now have here before us a $15,000 fundamental exemption. In other words, if a Canadian resident has assets in the United States valued at $15,000 at his death, there would be no tax payable in the United States on those assets; and vice versa, if a resident of the United States had assets in Canada valued at less than $15,000, under the treaty there would be no tax payable on those assets in Canada. I should like to hear the minister say something about that matter in order to see whether it confirms the conception we have on this side of the house. I understand that hitherto, in the assessment of an estate, charitable deductions—even charitable deductions of a kind that would be recognized for tax deduction in this country—would not in the case of a United States resident have been recognized for deduction if the charity was one operating in the United States. Perhaps the minister would confirm that understanding. He may have made that matter clear in his statement on February 17th.

Mr. Fleming (Eglinton): Yes; I dealt with it in that statement.

Mr. Benidickson: Apart from that, I think there is very little disagreement about the desirability of extending, as widely and as rapidly as we can do so, tax agreements with other friendly countries which make it possible for business to be conducted or for assets to be taken over in countries other than the country of residence and to assure that there will not be double taxation of estates after death.

I have personally received no complaint with respect to this particular bill and the negotiations that have resulted since we changed our estate law in 1958. I should like the minister to make some comment as to what happens between January 1, 1959, and the enactment of the present law in so far as the present bill varies the formerly existing legislation passed as a result of the former treaty.

Estate Tax

Mr. Speaker: I must inform the house that if the minister speaks now he will close the debate.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker I think I can be brief. With respect to the question which principally occupied the speech of the hon. member for Kenora-Rainy River, as to what happens with respect to estates between January 1, 1959 and the present time, may I draw his attention to article 15 of the convention which provides that the convention shall be deemed to have come into effect on the first day of January, 1959 and that it shall apply only with respect to estates of decedents dying on or after that date.

Mr. Benidickson: Refunds might be possible; is that right?

Mr. Fleming (Eglinton): In other words, the estates of persons dying before January 1, 1959, will be governed entirely by the 1944 convention.

With respect to the estates of persons dying on or after January 1, 1959, they will be governed by the new convention which is part of the bill now before the house.

The hon. member asked about the position of charitable organizations under the bill. I did deal with this matter in my statement to the house on February 17. The particular matter was touched on at page 2146 of *Hansard*.

I may say that article III, paragraph 2 of the convention does contain a new feature in this regard. The effect is that where Canada allows a deduction for a bequest to a charitable organization in Canada, as it now does under the Estate Tax Act, it will also allow a deduction for a bequest to any charitable organization in the United States that would have qualified according to the Canadian definition of a charitable organization if it had been in Canada. In other words the international border, for this purpose, is now being ignored.

This provision is reciprocal and will bring Canadian practice into line with long standing United States' practice. It will, of course, be beneficial to the estates of Canadian domiciliaries where a bequest of this kind has been made.

I think those remarks cover the points raised by the hon. member.

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

[Mr. Benidickson.]

On clause 1—*Short title.*

Mr. Benidickson: Mr. Chairman, perhaps the Minister of Finance would comment on a matter which is not strictly relevant to this bill.

Was I correct last night, in commenting briefly on this item during second reading of this bill, when I said we would perhaps require another piece of legislation that would relate to the baby budget, as some of us call it, of December 20 and the withholding taxes related thereto? Will that require a revision of another form of treaty between Canada and the United States?

Mr. Fleming (Eglinton): No, Mr. Chairman.

Mr. Benidickson: Am I correct in thinking that with respect to the revision of our law in 1958 regarding taxation on estates of deceased persons, under other tax treaties with most countries across the world no legislative revision was necessary, but there is something in the United States-Canadian tax treaty that makes this bill imperative and necessary?

Mr. Fleming (Eglinton): Yes, Mr. Chairman, having regard to the purposes of the legislation.

Mr. Benidickson: With respect to mutual agreement by conventions between Canada and other countries, with what other countries have we tax agreements that will not involve, as are involved here, legislative changes because of what this parliament did in 1958 when it radically revised our estates tax system?

With how many countries have we conventions with respect to the avoidance of double taxation that have not, because of their context, required any parliamentary review since 1958, such as is required here?

I ask this question because I understand that the agreement with the United States was tied in fairly definitely with the dominion succession duty act, which was abolished by the action of this parliament in 1958.

Mr. Fleming (Eglinton): As I pointed out last night in introducing the motion for second reading, Canada has at the present time conventions with the United Kingdom, France, Ireland and South Africa as well as the 1944 convention with the United States.

The 1944 convention was the first of these conventions that Canada entered into with another country with respect to the avoidance of double taxation, and it related specifically to the dominion succession duty act.

The later conventions with the other four countries were broader in their terms and also took account of similar legislation. Consequently no amendment is required in the

conventions with the four countries I have named, and the enactment of the Estate Tax Act has resulted accordingly only in the revision of the convention with the United States.

Mr. Martin (Essex East): Mr. Chairman, as I understand it this particular convention supersedes anything in the Estate Tax Act that is inconsistent with legislation in the United States.

Mr. Fleming (Eglinton): Mr. Chairman, this present convention, if given legislative sanction by parliament, will supersede any provision in the Estate Tax Act which is inconsistent with the terms of the convention.

Mr. Benidickson: With what we are enacting today?

Mr. Martin (Essex East): That was the point I had in mind, because the Estate Tax Act, unwittingly I am sure as far as the minister and the house are concerned, failed to take account of the situation that confronted many taxpayers in the United States who have property in Canada. I think the minister will find that this is right.

Mr. Fleming (Eglinton): I can assure the hon. member that this was not overlooked. It was well understood at the time.

In the banking and commerce committee, I think it was, when the bill which later became the Estate Tax Act was under review, this matter was discussed and mention was made of the intention of the government to negotiate a further convention with the United States which would take account of the change in the situation brought about by the enactment of the Estate Tax Act.

Mr. Martin (Essex East): But the fault was not because of an agreement between Canada and the United States. For instance, if the full implications of the treaty of 1944 had been followed the omission in the Estate Tax Act would not have occurred.

This was a matter of very great concern to my section of the country, adjacent as it is to the United States, where thousands of people have property along the great lakes, which they use during the summer months. They are a source of considerable income to southwestern Ontario. I am sure this situation applies to many other parts of Canada.

Now the matter is to be corrected, and this is of course welcomed. However, it seems to me there has been a very long delay in arriving at a culmination of the negotiations—

Mr. Benidickson: Since 1958.

Mr. Martin (Essex East): —since 1958. I recall asking the minister a number of times when we might expect some finality between the two governments with respect to this matter. Although on one occasion I got from the minister some correspondence which was encouraging, I was never able to elicit from him in the house anything which was correspondingly optimistic.

Mr. Fleming (Eglinton): You should stick to correspondence. That is the moral.

Mr. Martin (Essex East): That may be true. If the subsequent acts of the minister were consistent with the correspondence, that observation would be very pertinent. But that was not the situation.

There must be some reason why there has been this long delay since 1958. My reason for making these observations arises from concern over the situation which affected thousands of people in southwestern Ontario as well as in other parts of Canada and in the United States. What were the reasons for the delay in reaching a successful outcome of these negotiations? It was said at one meeting of the tax foundation by a distinguished lawyer that the Canadian negotiators were dilatory. I do not know that it was said that the minister was dilatory, but the minister must accept responsibility for any delay on the part of the negotiating team. In any event, there was a long delay from the time these discussions began. The minister first gave us an assurance that this matter would be dealt with at an early date, and I should like the hon. gentleman to explain now why the delay has been so protracted. Was it because he himself was so preoccupied that he was not able to give instructions to our negotiators, or was it the fault of the other side? In any event there has been widespread criticism of the government's failure to act constructively and rapidly with regard to these negotiations and in these circumstances I think some explanation should be given.

Mr. Fleming (Eglinton): There has been no delay and no dilatoriness. Negotiations with the United States with a view to such a convention as is now before the committee began in September 1958, just after the Estate Tax Act was enacted and before the proclamation of that act brought it into effect. The negotiations proved difficult, but they were completed, as the convention indicates, and signed on February 17 of this year. That is not an unusual length of time to require for negotiations with respect to such a tax agreement as this. If the hon. gentleman would look back to the days when he was a minister he might recall that negotiations between Canada and other countries with respect to similar conventions very often occupied two years.

Estate Tax

Mr. Martin (Essex East): May I just say I have had some correspondence in connection with this matter, not only with the minister but with others, over the difficulties which arose through failure to arrive at an earlier understanding with the United States authorities. As of January 1, 1959, we know that the tax convention between the United States and Canada with regard to the elimination of double succession duties had ceased to exist. The reason, of course, was that the former treaty, the treaty conceived and executed in 1944, applied only in the case of the dominion succession duty act which was superseded by the Estate Tax Act. I had asked the minister in the house what was the nature of the negotiations which were under way and if there was any reason to expect an early settlement of the matter. The minister replied in the house—I do not have the exact reference to *Hansard*—that that was the case.

Subsequently, I had some correspondence with one of the departmental officials as late as March 16, 1959. I was told then that a tax convention was being negotiated but that the negotiations were not then complete. I believe the minister said I had had some experience in these matters—

Mr. Fleming (Eglinton): I did not say the hon. gentleman had had experience in these particular matters.

Mr. Martin (Essex East): I thought the minister said I was a member of the government, and I assumed that was what he meant. Well, I have had some experience with negotiations, though not on behalf of the Department of Finance, and I do not believe the minister has given us a satisfactory reply as to why there has been this long waiting period. This delay has had some consequences of serious account to us in ssex county. Some withdrawals have taken place —not as many, perhaps, as one would have anticipated, but nevertheless there have been some. It is hard to explain why results should not have been achieved more quickly, particularly since we have had a pattern treaty since 1944 and other treaties with other countries, including France, as the minister mentioned last night in his statement of explanation which appears in *Hansard*. However. I can do no more than say it does seem to me there has not yet been a satisfactory explanation given of the delay in bringing about a settlement of matters leading to this convention.

Mr. McMillan: I should like to ask the minister what has happened to the processing of involved estates from January 1, 1959, up until today or, at least, until the signing of the convention. Perhaps I might also ask another question. As reported on page 2145 of *Hansard* the minister said the taxes included in the scope of the new convention are the Canadian estate tax, the United States estate tax and other taxes of a substantially similar character. I should like to know what those other taxes are.

Further on in his remarks, the minister said:

> However, the United States which uses a schedule of graduated rates, is not obliged to restrict its rates; instead it is required to allow a deductible exemption of $2,000 in all cases where the property is valued at more than $15,000.

I wonder if, in that particular case, that would be advantageous to Canada or not.

Mr. Fleming (Eglinton): The dominion succession duty act is still in effect. No doubt it will be in effect for a long time to come. It is still the legislation which governs the tax for federal purposes on estates of persons who died in Canada before January 1, 1959. The Estate Tax Act applies only to the estates of persons dying on or after January 1, 1959. So, as to what has happened since January 1, 1959, I may say that with respect to the estates of persons who died before January 1, 1959, their cases are still dealt with under the dominion succession duty act and so far as the United States property is concerned they are still governed by the convention of 1944 and will continue to be so. As to what has happened since January 1, 1959, with respect to estates of persons who died on or after January 1, 1959, I may say that these cases have not been closed pending the negotiation of this convention, and wide publicity was given to the fact that these negotiations were being carried on.

As I mentioned earlier, when the bill respecting the estate tax was before parliament at the 1958 session, it was made known that it was the government's intention to undertake negotiations with the United States with a view to a new convention applicable to the estates of persons dying on or after January 1, 1959. If this bill is passed, the final clause of the convention provides that the convention shall be deemed to have come into effect and been applicable from January 1, 1959.

Mr. Smith (Lincoln): I should like to get from the minister some direct clarification of my own understanding of this bill. In the riding which I represent there are several large corporations, which are subsidiaries of United States companies, whose employees are allowed to purchase stock during their working years. Recently, we have had problems arising from the fact an estate was faced with double taxation in connection with the stock because it was United States stock. Will

the passage of this bill eliminate those problems—of course, subject to the amount of stock held in U.S.A. being not over $15,000.

Mr. Fleming (Eglinton): It would be very difficult for me to give a definite answer to a question of that kind without having a great deal more information about the circumstances of the individual case about which the hon. member is inquiring. I may say in general terms, however, that the purpose of the present measure is to avoid double taxation; that is, as between Canada and the United States. The specific terms of this convention would have to be examined with respect to the particular facts of each case to determine the result; but the purpose of the convention is to avoid double taxation, and that is its effect within the terms of the convention.

Mr. Martin (Essex East): As the minister said when he spoke just a few moments ago, the result is that this bill provides for a retroactive feature, but as of what date?

Mr. Benidickson: January 1, 1959.

Mr. Martin (Essex East): This legislation comes into effect as of that date; in other words, the retroactivity goes back to that date? What is the situation in respect of estates which have been disposed of in the meantime, where the amount owing to the crown or to the people of the United States has been agreed on? What is the position of the beneficiaries of the estate or of anyone in any way affected by the estate with regard to the settlement made, say, within the last 12 months?

Mr. Fleming (Eglinton): These will all be adjusted on application in accordance with the terms of the new convention.

Mr. Herridge: I have two questions to ask the minister. Will the minister explain to the committee the difference between a treaty and a convention? Does one have to do with water and the other with money? Second, while we realize that this is the usual procedure and practice with respect to arrangements to avoid double taxation between various countries, has any consideration ever been given to an international approach to this question through the United Nations by which there would gradually come a more or less international form and practice with respect to taxation and matters of that kind?

Mr. Fleming (Eglinton): With respect to international agreements, the vogue is to employ the term "convention" where the subject matter of the agreement is taxation or matters of that nature.

As to the second question, I would think it is sufficiently complex now trying to negotiate bilateral agreements with other countries in such situations without undertaking a multilateral approach to this type of problem.

Mr. Herridge: I am not suggesting it would be practical at the present time; I only wondered whether there had been any consideration given to an approach, something like that which we have with respect to meteorological services and things of that sort, to get a standard practice, say, throughout the western world?

Mr. Fleming (Eglinton): I understand that in one of the committees of O.E.E.C. some consideration was given to this problem, but I think I may suggest to the hon. member that it will not be easy. However, I would not exclude the possibility of study being given to such a question under the auspices of the reconstituted O.E.C.D.

Mr. Benidickson: Am I right in thinking that under the radical revision of succession duties made in 1958 with respect to assets of a United States resident with interest in Canada, under no circumstances would the tax be more than 15 per cent of those assets in Canada? If this is so—

Mr. Fleming (Eglinton): That is correct, provided that he was domiciled outside of Canada.

Mr. Benidickson: Yes. The desire was to have some simplification of these matters. In so far as the convention between Canada and the United States is concerned, we are not on comparable grounds in all respects. For instance, this 15 per cent over-all tax represents our method of assessing our tax on the assets in Canada of a United States domiciled deceased person, but it would not necessarily be the way that a Canadian deceased person's estate would be treated if he had assets in the United States. Will the minister indicate to the committee what the rates of duty might be in the other circumstance? Am I right in thinking that perhaps those rates of duty, depending of course, upon the volume of assets left by the deceased, might range from perhaps 3 per cent to 77 per cent?

I do not recall referring to this matter when I spoke on second reading following the minister. I do not think I referred to the question of whether or not Canada and the United States, as a result of adopting this convention, will be in harmony in the matter of the definitions of situs of property. Perhaps the minister mentioned this on February 17. I am frank to say I have not read his remarks within the last few days. We are not in harmony with respect to tax rates—that is agreed—on the same amount of assets that might be left by a resident of the United

States in Canada. In our case we have simplified this thing to 15 per cent. With respect to definitions of situs of property, will the minister indicate whether or not we have more or less harmony between the two jurisdictions in this matter?

Mr. Fleming (Eglinton): Mr. Chairman, estate taxes in the two countries are, of course, different. This is one of the features that sometimes make the negotiation of a convention of this kind a very complicated matter. In the Estate Tax Act parliament approved the adoption of the flat 15 per cent tax on Canadian property of persons domiciled abroad.

Mr. Benidickson: Regardless of the quantum.

Mr. Fleming (Eglinton): Yes. Well, there is, of course, the basic exemption of $5,000 that is given under the Canadian legislation.

Mr. Benidickson: Now $15,000.

Mr. Fleming (Eglinton): We will come to that. The United States federal estate tax, of course, is different. The rates under that tax rise from 3 per cent to a maximum of 77 per cent and there is an exemption of $2,000 in the case of a taxable estate. This is the beginning from which the convention negotiations follow.

Under the new convention, as we will see when we come to the articles, provision is made for a comparable treatment of assets in either case, that is to say, persons domiciled in the United States dying with assets in Canada or persons domiciled in Canada dying with assets in the United States.

With respect to situs, Mr. Chairman, there have been differences in the rules for determination of situs as between the two jurisdictions up to the present time but one of the achievements of this convention is a harmonization of the rules for determination of situs of assets in the two countries for the purposes of this convention.

Clause agreed to.

Clauses 2 and 3 agreed to.

On clause 4—*Orders and regulations.*

Mr. Benidickson: Is this comparable to the 1944 treaty? Is there any extension of executive powers?

Mr. Fleming (Eglinton): This is the standard form of bill that we have been employing for some time with respect to these conventions.

Mr. Benidickson: But it is equivalent to what was in the basic treaty with the United States with respect to estate matters, which I think the minister said was made in 1944? Does the cabinet get any greater opportunity under this clause than they had under the old enactment?

Mr. Fleming (Eglinton): I cannot speak positively without having the 1944 statute before me. I have with me the convention but not the statute that gave legislative sanction to the convention. However, I can tell the hon. member that this form follows that used with respect to the four other conventions to which I referred earlier.

Clause agreed to.

Clause 5 agreed to.

Schedule agreed to.

The Chairman: Shall the title carry?

Mr. Herridge: Mr. Chairman, we passed over the schedule very quickly and I should like to refer to article VIII. The word "decedent" is used there to indicate, I presume, a person who has gone to his Maker. What is the reason for the use of that rather unusual word instead of the word "deceased"?

Mr. Fleming (Eglinton): "Decedent" is the word that is more commonly employed in the United States than in this country. We are more accustomed to use the word "deceased". I think there is a point here in favour of the use of the word "decedent" because we are speaking here of persons who may die in the future. We can speak of them as decedents whereas it may not yet be quite so correct to speak of them as deceased. I might say that "decedent" is a word that seems to be coming into greater use, and it emanates from the United States where it is the practice to use that word.

Mr. Herridge: I must say that I am rather sorry to see this linguistic intrusion from the United States which is further evidence of their influence even upon the statutes of this parliament.

Mr. McMillan: When we were dealing with clause 4 I let the matter of the inconsistencies with respect to the laws of the two countries pass hoping that I would find an explanation in the schedule. The United States tax on estates over $15,000 is different from that of Canada. I wondered how that matter was harmonized. They have a graduated scale with an initial exemption of $2,000 but their scale of rates is certainly different from that in Canada.

Mr. Benidickson: Would the minister also advise the committee as to what efforts were made by the negotiators to try to harmonize this matter? The hon. member for Welland has made more clearly the point I tried to

make. We have a flat rate of 15 per cent with respect to the maximum tax that would be levied against the Canadian assets of a resident of the United States but that is not in harmony, as the hon. member for Welland said, with the situation in the United States. If a Canadian dies owning assets in the United States and the value of his estate is high he may have to pay to the United States on his assets in that country not a tax of 15 per cent like ours but a tax as high as 77 per cent. Is that the minister's understanding?

Mr. Fleming (Eglinton): Yes. The convention harmonizes the rules and avoids double taxation with respect to estates up to a value of $15,000. In the case of estates beyond that figure, of course, the rates that are provided in the general tax legislation will apply. I say that to the hon. member for Welland. This convention is designed particularly to deal with the situation of estates of a value up to $15,000 that would lend themselves to the exchange of concessions of the kind that this convention makes. As the hon. member for Kenora-Rainy River points out, if we enter into the realm of property having a value beyond $15,000 and are speaking of property located in Canada and owned by a person dying domiciled in the United States, the United States rates range up to 77 per cent at the maximum, whereas the Canadian rate is 15 per cent on the gross value of the property in Canada owned by a foreign domiciliary.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time?

Mr. Benidickson: Next sitting.

Mr. Fleming (Eglinton): By leave, now.

Mr. Deputy Speaker: Mr. Fleming (Eglinton), seconded by Mr. Starr, moves that the said bill be now read the third time.

Mr. Benidickson: No. I said next sitting, Mr. Speaker.

Mr. Deputy Speaker: Next sitting of the house.

VOCATIONAL REHABILITATION

PROVISION FOR AGREEMENTS WITH PROVINCES, ETC.

The house resumed from Tuesday, March 14, consideration in committee of the following resolution—Mr. Starr—Mr. Flynn in the chair:

That it is expedient to introduce a measure to authorize the Minister of Labour, with the approval of the governor in council, to enter into agreements with provinces to provide for the sharing of costs incurred by the provinces in carrying out programs of vocational rehabilitation for disabled persons; to authorize the minister to undertake the co-ordination of federal activities in the field of vocational rehabilitation and to undertake research in respect to vocational rehabilitation; and for those purposes to provide for the establishment of a council to be called the national advisory council on the rehabilitation of disabled persons; and to provide further for the payment of the chairman's remuneration and of the travelling and other expenses of the members thereof and for such professional, technical, secretarial and other assistance as the council may require.

Mr. Martin (Timmins): Mr. Speaker, in the few minutes at my disposal on March 14, the last opportunity we had to debate this resolution, I was in the process of expressing hope that this particular resolution would amount to something and not just be further window dressing. I think there is need for real effort on the part of all hon. members for progress in this particular field. This is another field where we have seen far too often what I like to describe as one of the greatest national problems, the problem of self-delusion. I should like to give an illustration of what I mean.

In my constituency we have a television station which presents a program each Thursday night between 10.30 and 11 called "Northern Neighbours". This program is sponsored by the local mine managers' association in the Porcupine-Matheson mining district, and is put forward as a public relations effort. One full program on a Thursday evening was devoted to the promotion of the march of dimes. We all realize that the march of dimes is an organization which devotes its efforts, money and resources to alleviating the problems of disabled individuals.

The self-delusion of which I speak is illustrated by the fact that on the very morning of the day that this march of dimes program appeared I received a telephone call from a local doctor who requested me to use my efforts in an attempt to alleviate the distress of a local miner who was forced to stay away from work for a considerable period of time as the result of a heart attack. A heart attack of this kind is a disability, just as a broken leg or back is a disability. The doctor informed me that he felt a rest of four to six months would allow the man to recover without permanent damage and would enable him to return to work. Then, with proper care, he could carry on his duties and provide for himself and his family. The problem that arose was how the man would maintain himself and family for a period of four to six months without being able to work. The miners in that area, as in many other places, have sickness and accident policies which cover them for a limited period

of time. At the end of this time the employee must work at least one day in order to reinstate himself for coverage under this policy for an additional period.

The doctor in question, who was familiar with this requirement, against his better judgment, sent the man back to work for the one day required in order to requalify himself. The miner went back to work for one day at which time he was fired by the company. That same night the company, with others, purchased the half-hour of television time devoted to promoting the march of dimes which, as I have said, devotes its energy to the alleviation of the plight of disabled persons.

I feel that example indicates how we have deluded ourselves. I am sure there are many well meaning people in this group who would be horrified if this situation were brought to their attention. I think this is the kind of thing which was in the mind of that great Scottish poet, Robbie Burns, many years ago when he wrote the following:

> Oh wad some power the giftie gie us
> To see oursels as others see us!
> It wad frae monie a blunder free us,
> An' foolish notion.

I think in cases like this we should realize that it is not enough to make gestures without carrying out the action to give them some meaning. Unfortunately, we have seen far too much of this type of thing done by the present government. It has made gestures in many directions, many of which have not achieved the intended result. We have seen the government make gestures with regard to a winter works program for the alleviation of the unemployment situation, but in spite of that we have had one of the worst unemployment situations since the Liberal rule in 1938. We have seen the advancement of a vocational training program by this government, but every day there are more individuals thrown out of work than this program can cope with. We have seen this government bring in many patches of legislation directed to our railway problems, yet we received just a week ago the report of a royal commission which shows that in spite of these patches of legislation the situation grows worse. In some instances the report shows clearly that these patches of legislation have aggravated the situation rather than cured it.

The problem we are trying to cope with by this proposed resolution is a very important and urgent one. I appreciate this very much, coming from a riding with heavy industry, industry which has wet, heavy, dusty and unhealthy working conditions. We have a great number of employees in this area who have been disabled through back injuries, silicosis and various other things. Many of these individuals receive partial pensions, while others receive no pension at all. The individuals receiving pensions are far from able to maintain themselves and their families. I feel it is not good enough for us to say that this is the responsibility of the compensation board, because these are responsibilities which we must accept. While the compensation board is in itself a good organization, it certainly is not capable of solving all the problems of these individuals.

I should like at this time to list six illustrations with which I became familiar last week end when I was at home. I know of one individual who has been off work for some 10 or 11 years on a silicosis pension of $100 per month. He has been attempting to maintain himself and his wife and provide his children with an education. I do not know how he has been able to do so, but at the present time he is in the process of putting his last daughter through teachers' college. He has done so with the $100 per month pension and whatever he could scrape and scrounge in addition.

Silicosis is a very disabling and crippling disease which does not permit an individual to carry on as a normal, healthy individual could.

In another case a former miner, who has been off work now for five years and has been struggling to make ends meet by operating a little country store, is alleged to have a heart condition but he is called in every six months for silicosis X-ray. He has no pension. Here is a man who is disabled and has been in that condition for five years.

There is the case of another man who lives just about a half a mile away, and who has a chest disability. He also has been off work for five years. Apparently he does not qualify for a silicosis pension from the compensation board because the extent of the silicosis has not reached the required percentage.

Another case is that of a young man, 30 years or 31 years of age, who two years ago was crippled in a car accident, has a broken back and will be confined to a wheel chair for the rest of his life. At the present time he is living at Golden Manor, the home for the aged at Timmins. Surely, under this program that is contemplated today, something can be done for people like these.

We have another case of a man who had two feet smashed while working in the bush. He cannot wear proper shoes. He certainly cannot carry on the job he has always done in the bush. He is badly in need of some kind of retraining in order to enable him to make his living and to get by in life with the disability he has.

The final case is that of a chap who suffered from poliomyelitis some years ago, and

who has one bad leg. He also is a bush worker. In the summertime when the ground is firm he can get around. However, as soon as winter comes and he is obliged to pull this crippled leg through the snow, he again is incapacitated.

I am sure that many other hon. members, like myself, have in their files in their offices literally hundreds of cases similar to the ones I have listed here. These were ones that were referred to me on one week end alone or one Saturday alone. I have literally hundreds of similar cases listed in my files. I am sure that other hon. members have at least an equal number and perhaps some of them have more.

This is one of the most serious problems we have to face in this country. The need is desperate in this field. I think we should realize that if some people say the costs involved would be very high, we should stop trying to delude ourselves, and we would find that the costs were not high at all. These costs are being met in any event. They are met or should be met at the present time through municipal welfare, through the assistance of their families and friends and through some other sources. I hope we really are going to take the bull by the horns and do a job in this field of trying to make the disabled people in this country a little better able to fend for themselves and for the communities in which they live.

Mr. Pitman: It gives me great pleasure, Mr. Chairman, to take part in this debate. This resolution which has been brought down by the Minister of Labour has a great deal to commend it, and indeed I am sure it will receive the support of all hon. members. In bringing down this resolution the government, of course, is carrying on the work which is going on throughout the world. I should like to read from the recommendations concerning vocational rehabilitation of the disabled passed at the international labour conference of the international labour organization because I think they contain an important point which we certainly must remember:

> Whereas there are many and varied problems concerning those who suffer disability, and
>
> Whereas rehabilitation of such persons is essential in order that they be restored to the fullest possible physical, mental, social, vocational and economic usefulness of which they are capable, and
>
> Whereas to meet the employment needs of the individual disabled person and to use manpower resources to the best advantage it is necessary to develop and restore the working ability of disabled persons by combining into one continuous and co-ordinated process medical, psychological, social, educational, vocational guidance, vocational training and placement services, including follow-up,
>
> The conference recommends as follows:

I should like to read the second recommendation, which is as follows:

Vocational Rehabilitation

> 2. Vocational rehabilitation services should be made available to all disabled persons, whatever the origin and nature of their disability and whatever their age, provided they can be prepared for, and have reasonable prospects of securing and retaining, suitable employment.

I think this is extremely interesting. I wonder whether there has been full recognition, on the part of those drafting this measure, of the fact that simply preparing people through vocational rehabilitation to do a job and then not being able to provide that job can perhaps do more harm than good. I should like to ask this government, which evidently cannot find employment for people who need no rehabilitation and who are not disabled, whether they can promise that they can organize this economy in such a way that such employment can be found for disabled people who have had vocational rehabilitation. I hope so; because if not, what we are doing here today has very little meaning. I repeat that the international labour organization suggests that the disabled be prepared for jobs, provided that they have reasonable prospects of securing and retaining suitable employment.

Vocational rehabilitation has had both a long history and a short history in Canada. We can find this rehabilitation going on through the Department of Veterans Affairs since world war I and workmen's compensation boards in many provinces have been carrying on effective work for many years. Of course, we are reminded constantly of the work of private agencies. Yet, in many ways, Canada is far behind in this program. Prior to 1951 we had no real national vocational rehabilitation program whatsoever. What we had rather was a great mass of agencies, none of them really very well co-ordinated. We have come a long way in ten years, but we have a long way to go. I hope that the particular piece of legislation, which this resolution precedes will be a long stride in that direction and will give effect to the realization that we have to give those who are unfortunately disabled in our country the opportunity which they must have to take part in the economy.

We are reminded by the Department of National Health and Welfare that we are dealing with a considerable number of people in Canada. According to their booklet, over 500,000 people have been seriously or totally disabled. We are also dealing with a great deal of money, namely some $6 million voted by governments across Canada in support of this kind of rehabilitation activity, exclusive of what is being given to the veterans and to the injured through workmen's compensation. In dealing with this resolution which will allow the government to make arrangements with the provinces to share the

costs of a larger, more comprehensive and more efficient kind of rehabilitation program, the government is assured of the support of this group. It is assured of that support for humanitarian reasons, of course. In a civilized country, a western democracy, we can do nothing else but do everything in our power to help those who through some misfortune have lost a limb, an eye or have been disabled in some other way. It is not charity. In a sense, it is merely enlightened self-interest.

I was interested in the statistics of the Department of Labour with regard to a group of disabled workmen who were rehabilitated. It was found that whereas previously only 41 were earning over $2,000 per annum, after rehabilitation over 720 were earning over $2,000 a year.

Only 107 of a given group were earning between $1,000 and $2,000 a year. There were 369 after rehabilitation. In other words, there was a considerable rise in the productivity of the individual, in his ability to support himself.

In a sense, what we are doing in passing a resolution of this kind is not really giving charity but simply indicating our interest, and indeed our self-interest, that these people will be able to play a real part in the economy of our nation.

Certainly we can give money to support them, but how much better it is to give them a means of contributing to the society in which they live. A change is indicated even in the kind of work these people are able to undertake. Whereas before rehabilitation only 39 were able to carry out what can be considered professional or managerial occupations, the figure rose to 123 after rehabilitation. The unskilled occupations of course went down from 215 to 94. These men were able to make perhaps an even greater contribution to the economy, as well as being able to support themselves.

Therefore I do not think the effect of vocational rehabilitation can be seriously questioned. However, we do need greater organization. The remarks of the Minister of Labour in introducing his resolution lead me to believe that the national government will give greater leadership to the provincial governments. It will co-ordinate the work of the Department of Health and Welfare, the Department of Labour and the Department of Veterans Affairs, the polio foundation, the Canadian National Institute for the Blind and a great many agencies which are working in this area of vocational rehabilitation.

Unfortunately it could be suggested that in the past there has been too much overlapping; that too many people have been collecting funds and the cost of collecting those funds has in itself cancelled out the benefit, in a sense, because of course the costs of administration rise as you get several groups trying to obtain the same charity dollar from the individual Canadian. We hope that this overlapping, which has in the past been a disadvantage to rehabilitation, will be eliminated through the implementation of this resolution, and enable a real advancement to be made toward more effective action on the part of these agencies. We know this is essentially a provincial responsibility, but we are beginning to realize—and I hope we have already realized—that there are many things which are outside the resources of the provincial governments.

I hope this resolution will do something in the direction of assuring that those provinces which are less affluent will gain more money and greater opportunities.

We on this side of the house have been rather concerned about the darkening picture of dominion-provincial relations since this government took office. We are a little concerned that we are going back, as one provincial premier said, to the jungle of the 1930's and the 1940's. We certainly hope that equality of opportunity will still be the hallmark of this particular resolution, even if in other areas it appears that the government is going in other directions.

We hope that this equalization will not be eroded, to use a favourite word of the Minister of Finance (Mr. Fleming), any more than it has been by what has happened here in Ottawa in the last three months.

Part of this resolution deals with research in vocational rehabilitation. Job requirements are changing, and it may very well be that the activity in the area of automation will help the problem of those who are disabled and need vocational rehabilitation. As the activities in the physical sense decrease and the areas of mental excellence increase, the physically disabled will certainly have an advantage over what they now have.

However, I am concerned, and I am concerned as much in this area as I am in any other, that this government does not fully recognize what is going to happen. I am concerned that there will not be sufficient research into the whole strata of jobs, where industry is going, what industries are going to play a greater part in the Canadian economy, and what jobs are going to disappear over the next 10 or 20 years as a result of automation.

I hope that when these resolutions are put into effect we will not train disabled people, any more than we will train people who are able to carry on normal job activities, for jobs which will be obsolete within the next five, six or 10 years.

I wish I could see more activity in this area of research. I hope that one of the activities which will be carried on as a result of the passing of the legislation which will arise from this resolution will be a full scale attempt to find out not only what various groups of disabled can do, but exactly what jobs will be available in the economy of the 1970's and 1980's for these people.

The resolution ends with the suggestion that a national advisory council be set up. I think the Minister of Labour has already told us that this exists. I hope that sufficient professional personnel will be gathered in this national advisory council. I have the greatest admiration for those who work in the area of vocation rehabilitation, but sometimes I think we are overwhelmed by the cult of the amateur. I think helping the disabled is an area in which we need a great deal of professional assistance.

We took a great stride in our democratic system when we recognized that disabled people needed our help financially. We took another great stride when we realized that we should do everything in our power to help them lead a normal life. The third stride we must take on their behalf and on behalf of an even more efficient national economy is to remember that these people must have an opportunity to contribute to the fullest extent to the economy of the nation, thereby being able to contribute in a real way to the society in which they live.

I can assure the minister that this group will support these recommendations. We will support them in the hope that they will provide a more effective answer to the problem of vocational rehabilitation in Canada than we have today.

(Translation):

Mr. Sevigny: Mr. Chairman, I should like to say a few words about the resolution now before the house. This resolution is altogether necessary considering the needs of the disabled persons in our country, those who unfortunately, for some reason, are afflicted with a disease that prevents them from finding a job as easily as those enjoying perfect health.

There is surely nothing so distressing as the sight of a very intelligent and talented man or woman having difficulty in finding a job, only because employers are rather reluctant to employ a handicapped person without any formal training. This is why it is absolutely essential to give help to those who unfortunately, through some congenital condition or otherwise, are afflicted with a disability which prevents them from holding in life the position they deserve by their intelligence or other talents.

It is certain that for the morale of those people, it would be very useful to teach them a trade that would enable them to fill an important position within society. It is all the more important as those who will be disabled in the future, following an accident or for some other reason, will, upon entering this new phase in their life, find immediate comfort in the thought that others like themselves suffering from some disability have been able, by means of a trade they learned, to find a place for themselves in our modern life.

The provinces will be responsible for providing those rehabilitation courses, for giving the training that will enable the disabled persons and other outcasts of fortune to learn a trade. May I be permitted to suggest that those who will attend to this in the provinces consider what was done in this field in France, in England and more particularly in Germany.

It is common knowledge today that, as a result of the calamitous second world war, millions of civilians in Europe were wounded, during bombardments or following the invasion of European territories.

In Germany, especially, millions of citizens lost a limb or became paralysed, and this deprived post-war Germany of manpower which it certainly needed for its rehabilitation and reconstruction. But then the country had the good fortune of seeing a genius rise in its midst, Ludwig Erdhart, who gave his country an economic program which allowed it to recover and to attain the enviable position it enjoys today. Well, part of the program designed by Erdhart and his lieutenants was directed toward the rehabilitation of the disabled who could not as easily find jobs as those who, luckily, were in perfect health.

A rehabilitation and retraining program was put into operation, if I am not mistaken, more or less around 1947. Through this scheme, a very high percentage of the disabled civilians who were then unemployed are now usefully employed in the industries of their respective countries.

I think the provincial governments would be wise to send people to those European countries to study the programs which have been put to the test over the past 15 years; I am sure this could be very useful and would help us to improve the measure that is being put forward. Surely, this measure is of exceptional merit and will be supported by every hon. member in this house.

Vocational Rehabilitation

It has been my own fate to suffer a disability as a result of the war. I am thus in a position to state that on my return from the war, I took advantage of the rehabilitation services made available to me by the Department of Veterans Affairs and I was thus able, just as other war amputees of Canada, to adjust myself to a new kind of life. What was done in our case by the Department of Veterans Affairs, can be done for the civilians by the provincial governments.

I therefore commend this measure which will enable the federal government to co-operate with provincial governments with a view to helping those who, as a result of unfortunate circumstances beyond their control, now find themselves suffering from a physical handicap and perhaps are unable to play their part in today's world unless they are given assistance by the nation.

In closing my remarks, therefore, may I say that both for moral considerations and as a means of rehabilitating our disabled people, this program is essential, and I am sure it will be welcomed by every member of this house.

(Text):

Mr. Batten: I rise to lend my support to this resolution, to make a few remarks in regard to this and, particularly, to compare the different parts of the resolution with the agreements which the federal government already has with most of the provinces of Canada.

Looking over this resolution I have been interested in finding a definition of the term "vocational rehabilitation". The word "rehabilitation" would suggest the meaning of returning someone to a former status. I do not think this meaning can be applied altogether to the word in this particular context, because it could also mean restoring somebody to a useful status—a status which he did not have before. After looking for a good definition of the term "vocational rehabilitation" for some time, I finally succeeded in finding one in a recommendation which was made by the international labour conference held in Geneva on June 1, 1955. On page 1 of a pamphlet which I have here, the term is defined as:

> That part of the continuous and co-ordinated process of rehabilitation which involves the provision of vocational services such as vocational guidance, vocational training and selective placement designed to enable a disabled person to secure and retain stable employment.

The resolution which is before us purports to carry out a number of different objects. Taken in turn, they are as follows:

To authorize the Minister of Labour to enter into agreement with the provinces to share the cost of vocational rehabilitation of disabled persons; to co-ordinate federal activities in this field; to undertake research in respect of vocational rehabilitation; to provide a national advisory council, and to provide remuneration for the chairman and to pay other necessary expenses of this council.

It is indeed interesting to compare what this resolution tries to do with what can now be done under agreements with the provinces. Most of us will remember that before 1951 Canada had no rehabilitation program as such. There were organizations, both private and governmental, which were interested in this work, and one can well remember the rehabilitation services of the Department of Veterans Affairs, for example.

But it was not until 1951 that all these organizations met at a conference to decide what could be done on a larger scale for the rehabilitation of disabled persons in Canada. The host of organizations represented at this conference recommended that there should be some program which would co-ordinate the various services on different levels throughout all parts of the country. The result was that in 1953 the government of the day announced the rehabilitation of disabled persons agreements. It is interesting to compare the description of the federal rehabilitation assistance, as given on page 62 of the report of the Department of Labour for the year ended March 3, 1960, with this legislation. In the description of the services which were inaugurated in 1953, we find that the things which were provided then are very similar to the things which are to be provided by the proposed legislation. Therefore, Mr. Chairman, I would think there is very little new in this particular resolution. That, of course, is no reason why there should not be support for it. I do not think it would be proper for us to think that this resolution is doing something new and something which has not been done in Canada before.

In my own province of Newfoundland rehabilitation services present a very difficult problem not only in case finding and treatment, but also in training, retraining and placement. Many of our people live in small settlements scattered throughout more than 1,200 small communities along the coast.

Special arrangements which must be involved in case finding are sometimes feasible only during the summer months of the year. Suitable employment for those disabled persons who have been rehabilitated can only be found in the larger centres, with the result that those people have to seek employment opportunities away from home. But a more comprehensive rehabilitation program, improved communications, extended educational services, together with a general awareness of what the problem is, have all added to the greater efficiency of the service.

It is indeed rather difficult to single out any special service when one is talking about rehabilitation of disabled persons, but in my own home city of Corner Brook I would commend the fine work being done in rehabilitation by the West Coast Sanatorium, the institute for the blind and also the work being done by the new school for retarded children.

There is little need here to record the history of rehabilitation work done in the province of Newfoundland from the time of the organization of the sunshine camp association in 1937, the efforts at a training and rehabilitation program launched in 1944 by the Newfoundland tuberculosis association and the signing of the federal-provincial co-ordination agreement in 1954. Voluntary and private organizations, together with government at all levels, have provided the assistance so essential in any co-ordinated program.

I do not believe that any program of this nature can be really successful without the necessary research and research facilities which will provide the requisite and essential information. This resolution says that attempts will be made to provide research in the field of rehabilitation. I believe it is necessary, first of all, to decide how many people in Canada come within this class of persons. In 1951, when the population of Canada was about 14 millions there were something like 432,000 who were considered to be disabled persons. The other day my hon. friend from Burin-Burgeo gave figures which indicated that the number of disabled persons, not counting war veterans, would amount to about 2 per cent of the population. I do not think there is any reliable information today as to the actual number and type of disabled persons in the Canadian population. I think we need some research to determine how many there are. Next, we need some research to determine as accurately as possible what is the disability, what medical service may be necessary and what training would best suit those particular people. Having decided what training is best for them, then that training should be provided, while at the same time provide special training for those who need special training because of their special disability.

It is necessary next to do some research work among those people who are employers and to get them to realize that sometimes disabled people have just as many abilities as those who are not disabled. There should be research to find out where there are opportunities for people who are trained and to see that society does provide an ample number of jobs and job openings for those who have been trained by these co-ordinated programs.

We sometimes wonder what is the value of rehabilitation. Sometimes it is very difficult to decide just what the value is. It is not easy to measure the human values that accrue to somebody who has been disabled, who has received the benefit of a rehabilitation program and is thereafter able to lead an active, useful and happy life. It is difficult to measure that, but there are other measurements which indicate the work that can be done.

I was interested in reading the report of the Department of Labour for the fiscal year 1959-60 and in noting the figures in the tables on page 64. Here, reference is made to a group of 1,462 persons of whom at the time those tables were compiled full details were available. Before rehabilitation there were 39 of this group of 1,462 in the professional and managerial category. After rehabilitation there were 123. Before taking this training there were 422 in sales and service. After rehabilitation there were 717. Before taking this training there were 718 unskilled and without work. After the courses were completed, there were only 173 out of a total of 1,462.

One might go on and use tables which are given in this report to show the increased amounts of money which were earned by those who had been able to take advantage of the services offered under this rehabilitation program. There is no need to do that because I think it is evident to all that those who can take advantage of these rehabilitation services do benefit greatly from them. I would hope that whatever is done under our present scheme, whether we think of it in terms of the resolution now before us or the agreements that have been in effect with the provinces since 1953, there will be some co-ordination between the work done under this legislation and the work done under vocational training.

I believe that where possible disabled people should be trained in schools that provide training for those who are not disabled. I say that for two reasons. I believe that where it is possible to do so disabled people

should be trained among the same type of people as those with whom they are going to work after their training is completed. My second reason for saying that these people should be trained in the ordinary vocational schools as far as possible, if that is the type of training they are going to take, is that it helps those who are not disabled to have a greater respect for those who are.

My final word on this subject is this. I do not believe that any program of this type will be successful in Canada or anywhere else for that matter until we realize that we must emphasize the abilities of people and not the disabilities.

Mr. Herridge: Mr. Chairman, I rise to express my wholehearted support for the spirit and purpose of the resolution. Before proceeding with my brief remarks, I wish to say that I am sure we are all very pleased to see the hon. member for Essex East again sitting in his seat and looking well recovered from his past disability.

When it comes to a subject like the one now before us, I suppose it is quite correct to say that regardless of party we not only speak with our minds but through our hearts. I am sure that in their experience throughout the years all members of the house have witnessed some rather tragic cases of persons who, through some physical or mental disability, suffered unhappiness and were unable to earn their living or make any contribution thereto because provision had not been made to rehabilitate them, to retrain them and give them an opportunity to live under satisfactory circumstances in relation to their physical or mental disability.

I think that the major task in this country today is to create a social environment in which all Canadians, disabled and otherwise, have the ultimate in opportunity to lead free, creative, happy and purposeful lives. I trust that this resolution, which I presume will mean an expansion of these services, satisfactory financial arrangements and so on, will be another step toward that goal. We have been very slow to move in this direction, Mr. Chairman, when we consider what the majority of us enjoy and having in mind our productive capacity, our scientific knowledge and the facilities we have for the treatment of physical and mental diseases.

The first steps toward rehabilitation of the physically disabled and enabling these persons to earn their own living were taken in Great Britain in 1817 on a small scale but with excellent results. I think it is a shocking indication of the lackadaisical approach of the twentieth century that we should still have thousands of Canadians who are anxious to make a contribution but are unable to do so because we have done so little to make it possible for them.

When it comes to the question of instituting and expanding a program of this type, without doubt knowledge is necessary and to obtain facts and knowledge, research and a survey of the situation are necessary. As far as the technical and scientific aspects of the problem are concerned, I think a great deal of expense can be avoided by reference to the work that has been undertaken in other countries. In recent years there has been some excellent work done in western European countries, the Scandinavian countries, Great Britain and to a lesser extent in the United States as in Canada. But that body of knowledge should produce a foundation of fact and experience which should make it unnecessary to spend large sums on research with respect to principles and their application. The research we require is research into Canadian circumstances and conditions that will make possible the application to Canadian conditions of knowledge already available.

In Canada we have a body of knowledge and experience in the work of the Department of Veterans Affairs in the treatment of disabled veterans with a great measure of success. We have it in the experience of the workmen's compensation boards across the country. I know that the workmen's compensation board of British Columbia has gained a great deal of experience since the second world war in the rehabilitation of disabled persons injured in industrial accidents. No doubt that experience is duplicated to some extent in other provinces. Then we have the experience gained under the federal-provincial program for the disabled which was instituted in 1953. There is a body of experience and knowledge there.

Furthermore, the subject is so important and is concerning more and more people to such an extent that international agencies have given considerable thought to the matter. Quite an extensive amount of research has been undertaken by UNESCO. In that respect I wish to quote briefly from a book entitled, "Welfare of the Disabled", published in 1957. On page 17 I read the following:

> The United Nations educational, scientific and cultural organization has given attention to the education of the handicapped, including the blind, in its program.

It goes on to deal with the question of research, the information received from various countries and so on. I suggest that there must be a great store of knowledge and information that can be obtained from

that organization. The book goes on to mention that there are plans for the establishment of three demonstration centres in different parts of the world in respect of the rehabilitation of disabled persons. The program is outlined and should be of interest to hon. members. The salient points are as follows:

1. Joint planning with the specialized agencies and in consultation with the interested non-governmental organizations to develop a well co-ordinated international program for the rehabilitation of physically handicapped persons;
2. Providing fellowships, scholarships and experts under the regularly established U.N. programs;
3. Expanding facilities for the dissemination of information on rehabilitation and the preparation of training materials;
4. Assisting in the exchange of knowledge and materials for the manufacture of all types of prosthetic devices.

There is a full chapter on the details of the program which UNESCO was instructed to undertake at that time. There is a tremendous body of knowledge and experience from which we can draw and apply to Canadian problems.

There are several aspects of rehabilitation. There is the question of rehabilitating young people who suffer from physical infirmities, some congenital, some acquired as a result of disease, and some resulting from accidents. I have in my experience known of two or three fine young men who were dying to find some position where they would have a purpose and would be able to maintain themselves. I know of one place where, after a great deal of difficulty, a position was found for a young man who had been very severely disabled, in that he had lost the use of both legs and one arm. However, he was able to sit at a desk handing out cards to persons entering a certain building. This job provided employment for this man for a few hours each day and transformed his life from one of unhappiness and a sense of loneliness to one of happiness with a sense of purpose and well-being.

We know of cases which exist, in which the compensation board officials take a very great interest, that are not covered by the benefits of the compensation board. I refer to farm workers. There are many young men on farms and in rural activities who have not had the opportunity of using the services of the compensation board but who should have the benefit of an extension in this necessary program. We know there are many blind individuals in this country, and we know of, and appreciate, the great work that has been done for them by the Canadian institute for the blind and others who are interested in their welfare and happiness. We realize the problems facing those individuals who have suffered from tuberculosis and who are able to undertake only limited and light physical activity. We also realize the existence of mentally disabled individuals.

I shall never forget the occasion when the case of a young mentally disabled or subnormal individual was brought to my attention. This individual had been maintained to a certain period of his life and then was taken out to a farm where he received, first of all, necessary affection, and was given some simple duty to perform. Once he had been shown how to do this he was able to carry on all day. Some thoughtfulness, consideration and concern for his welfare coupled with a spirit of understanding with regard to his requirements, solved the problem of this unfortunate, disabled person.

I have been very interested in this subject for years because I am always touched by those who have to go through life with these limitations. I think we have a first responsibility to these unfortunate citizens. In my opinion this program requires close co-operation between federal and provincial governments, as well as between those governments and voluntary organizations, because this is the type of work that legislation and government action cannot bring to complete fruition. It requires the support and co-operation of voluntary organizations, including churches, service organizations and the other organizations distributed throughout the land that would willingly assist in the expansion of the purposes of this program.

Third, I would suggest we must appeal to the minister to avoid taking a penurious point of view when considering the budget for this program, in view of our total production, total taxation, and the amount of money spent in other directions. I suggest that individual citizens should be called upon to make contributions according to their ability, and I feel that, initially the government should set an example in this respect.

I would suggest that when we have finally rehabilitated the disabled through this program, then we must have a placement program to provide employment which will suit the requirements of the individual cases. This is a field which will require the co-operation of voluntary organizations as well as individuals who are interested in this program.

In conclusion, it is my opinion that if we accept our full responsibility in this respect, along with the provincial and municipal governments, voluntary organizations and all those of us who profess to be Christian citizens in Canada we will find that the fruits of this legislation will be happiness, through purpose, and independence for those who do not now enjoy them.

Mr. Smith (Lincoln): Mr. Chairman, I do not intend to make a speech at this time but

I should like to make some observations which I feel may be helpful to the minister in this regard. First of all I should like to express my complete support of this measure. I feel that this program will do a great deal of good for those individuals who require vocational training. I would suggest that nothing gives a greater lift to young men and women who have come to the point where they do not know what to do than an association with a school or group who are interested in their problems. I feel this program should not stop at that point but that there should be a follow-up in assisting these people to find employment after they have received training.

I want to make some observations with regard to a matter which came to my attention last year and the year previous in connection with individuals who are handicapped. I recall that on the Welland ship canal, which runs through my riding, a great number of disabled veterans were employed as flagmen. This was a type of job that a slightly handicapped individual could handle. I believe there were 50 or 60 individuals employed as flagmen on this canal from Port Weller to Port Colborne. Last year the seaway authority saw fit, and I cannot quarrel with it in the light of automation, to install automatic lights on the bridges. The result was that some of these 60 men were out of work. I think some of them were absorbed in other activities.

The year previous the Ontario hydro—we have probably no control here—carried out a similar pattern in the Niagara peninsula with the result that some 50 or 60 men employed as gatemen were automatically let out when the control lights were installed there.

I feel at this time, with the serious unemployment situation throughout the land, departments concerned should give serious consideration to deferring automation so as to retain this type of employment for those individuals who are handicapped. I am aware of the fact that the postal department at the present time, and for several years, has been experimenting with automatic electronic letter sorting machines. While I fully approve of automation in industry in order that we can keep up with competition from abroad, I think that government departments should give consideration to helping these handicapped individuals for the time being by deferring the installation of this type of automatic equipment in respect of functions that can be carried out by those who are slightly handicapped.

I know there are 100 individuals in my riding who have been laid off as a result of this automation and across the country there probably is a sizeable number of individuals in a similar position. I have mentioned these things to the minister with the hope that he will give some consideration to them.

Mr. Martin (Essex East): Mr. Chairman, I should like to say a few words in regard to this matter because I have had some interest in this problem both as a minister of the crown and as a member of the House of Commons over a number of years. However, before doing that, I should like to acknowledge with appreciation the words of the hon. member for Kootenay West and, if I may without appearing to be too late, those of the Prime Minister today, when both the right hon. gentleman and the hon. gentleman kindly welcomed me back to the house after my indisposition.

No one of course, disagrees with the principle of the resolution before the committee. We are all in agreement that it is desirable to encourage vocational rehabilitation and that it is desirable to encourage the fullest possible rehabilitation through medical skills of those individuals in our country who are disabled, either permanently or partially. We are all in agreement that everything possible should be done by those levels of government in the country responsible for the formulation and the administration of programs of social welfare. We are all in agreement that voluntary organizations in this, the middle part of the twentieth century, should be engaged in doing whatever they can to improve the lot of those of our fellow citizens who suffer from one disability or another.

Having said that, I think we really should examine what we are called upon to do in this House of Commons at the present time. If one were to examine the resolution in terms of the words as they present themselves for our scrutiny, one would come to the conclusion that we were now embarking upon a pioneering effort in this parliament and that we were now establishing a new program in the field of social welfare and social action. That is not the case. This particular resolution presents us with nothing new whatsoever. It will not in any way add one iota to the responsibilities of government in Canada as now exercised by authority of parliament. I think that is something we must clearly understand when we come to accede to the proposals made in this resolution by the Minister of Labour.

The resolution first of all asks that we authorize the Minister of Labour to enter into agreements with the provinces to provide for sharing of the costs incurred by the latter in carrying out programs of vocational rehabilitation for disabled persons. It also asks us to authorize the Minister of Labour to undertake the co-ordination of federal activities

in the field of vocational rehabilitation and to undertake research in respect of vocational rehabilitation. Then it goes on to authorize the establishment of a national advisory council on the rehabilitation of disabled persons.

With all of these things I am in full accord, as is every other hon. member in this committee. But, Mr. Chairman, these are now fields of action in which the Minister of Labour is authorized to act. I think it should be clear that we are not today embarking upon a new principle of action nor are we establishing a new initiative on the part of the government of this country. The reason I mention this matter is that it seems to me that much of the legislation that has come before the House of Commons this session is of a pattern that is open to an interpretation not really warranted by that pattern or by the incidence of the legislation that constitutes that pattern.

Unless there is a careful explanation of of what we are now doing, I fear that it will be open to the propagandists of the minister's party—I do not say to the Minister of Labour—to indicate that in this session of parliament something new has taken place, namely that the government brought forward an act to provide for the vocational rehabilitation of disabled persons. That will be in keeping with the façade which I believe attends some legislation already presented in the house such as that respecting the productivity council, the small business legislation and the vocational training act. Those three measures and this one, put in a pamphlet well adorned, carefully written and properly caricatured, can be very effective ammunition on the part of anyone who is so imaginative. I am not suggesting that the Minister of Labour is not imaginative. However, I know that he uses his great qualities of imagination for more laudable purposes. Unless someone gives the proper perspective to this resolution, I greatly fear that the very kind of thing which I apprehend is going to happen.

As I say, what we are being asked to do in this committee today is to give the Minister of Labour powers that he already is given by parliament by an annual vote that is provided for in the estimates with regard to vocational rehabilitation. We already have a council. There is in existence now and serving with great distinction in the Department of Labour a director of vocational rehabilitation in the person of Mr. Ian Campbell, one of the most accomplished men in this field in the country. But he has been at work now for almost a decade doing this very thing, providing for this very kind of assistance to individuals in the country in co-operation with the provinces.

I think it is clear that we should have a proper appreciation of exactly what we are doing. As I listened to the hon. member for Kootenay West in the very appropriate remarks he made when he expressed his philosophy with regard to these matters, I had the impression that he had been taken in or that he was under the impression that he was now being called upon to support something that was not already part of the authority of government in this country.

Mr. Herridge: I mentioned that matter.

Mr. Martin (Essex East): When the hon. member for Peterborough spoke—and there is more excuse for his making this error—one had the impression that he was rising in his place in order to support a new project never before conceived by this House of Commons. However, the Minister of Labour—and I will be fair to him—did not use in the middle of his speech words that would warrant the error which I suspect the hon. member for Peterborough unwittingly fell into. At page 2990 of *Hansard* the Minister of Labour is reported as having said:

> The passing of this legislation will not commit the federal government to any new areas of expenditure.

That is true. As a result of the passing of this resolution and the bill that will be passed later in connection with it, not one additional cent of expenditure will be authorized by parliament, nor is the government asking for any more money.

The Minister of Labour then put the matter in proper prospective when he went on to say:

> The placing of the authority for the program in statute form will encourage the provinces to plan ahead in developing more effective vocational rehabilitation services.

That is what really should have been in the explanatory part of the resolution. That is what we are really being asked to do. We are not being asked to provide for a program of vocational rehabilitation; we are being asked to put in statute form something that is now part of the law of this country. That is all we are being asked to do.

We might well ask the minister for his reasons for wanting to put in statute form something that is now available by an annual vote in the estimates, as has been the practice with regard to this and companion measures over a period of at least 10 or 12 years.

I know that hon. gentlemen opposite have always taken the position with regard to these social and health measures that the proper way to provide for authorization is by way of statute and not annual vote. When the national health grants were brought down

from time to time the present Minister of Finance in particular used to argue that these health grants should be presented to parliament in the form of a statute and not in the form of an annual vote, thereby making the particular measure an uncontrollable expenditure within the meaning of that word as it is understood in the Department of Finance.

There is a strong argument for that contention and this may be the right thing to do in this particular case. I am not now arguing that point; I am pointing out what we are really being asked to do. I suggest that the minister ought to explain, when he closes the debate, more succinctly and in greater detail why it has been decided to put this measure in statute form and not leave it in the form of an annual estimate.

I know that some provinces—I know this is the viewpoint of some federal officials not only in the Department of National Health and Welfare but also in the Department of Labour—felt there would be greater opportunity for flexible action, for greater improvement in the amounts involved and in the character of the program itself, if it were not restricted by a statute and were open to annual discussion during the study of the department's estimates by parliament.

In fairness to the minister, he dealt with this problem at page 2989 of *Hansard,* where he is reported as having said:

> By placing authority for this program in statute form, we shall give the provinces the assurance of continued support for their work in this connection. The legislation proposed has been developed with the co-operation of the Department of National Health and Welfare.

So the minister has, at least in principle, answered me by saying that by putting this particular program in the form of a statute we are giving the provinces the assurance of continued support. The minister will undoubtedly add to that statement.

However, I feel that the provinces have the assurance of this support. Surely, no responsible government in any province would for one moment think that parliament would renege upon the implied commitment it made when this program was first enunciated and established in this house. Surely no one in this house would suggest this.

No one has so far expressed any view that would warrant the suggestion that there is any danger that any government in Canada would refuse to continue to co-operate with the provinces in providing for vocational rehabilitation grants and all the incidentals which go with this program. Therefore, I am not convinced that putting this resolution in statute form will have the advantage to which the Minister of Labour has referred, namely of giving the provinces the assurance of continued support for their work in this connection. Indeed the Minister of National Health and Welfare in this government is my authority for saying that, as a result of his experience, leaving these matters in estimate form is a more effective way of providing for flexibility of program and for the kind of co-ordination that is necessary.

In fairness to the position of the government in this regard I must say, as I mentioned a moment ago, that in connection with the national health grants the present government, when in opposition, took the position that those grants should be put in the form of a statute and not presented to parliament by way of annual estimate.

Therefore when the present government came into office, armed with my knowledge that this was the view of the present administration when in opposition, I asked the Minister of National Health and Welfare whether it was now the intention of the government to put the national health and welfare grants in statute form, or was he going to leave them, as had been the practice since 1949, in the form whereby they would come to parliament as an annual estimate. The minister said that, as a result of the experience he had acquired, he had come to the conclusion that this was the best way to deal with the matter.

The Minister of Labour expresses another view. I am simply now expressing the view that the experience of the Department of National Health and Welfare in this matter is not without some value. I look with interest to the additional reasons the minister will give for the form in which the proposal is to be presented to parliament hereafter, in light of the practice which has been in existence for many years.

My main concern is that in presenting this argument today the government will have this in mind and as a result of my speech will be encouraged to use the form of a statute as a means of enabling some of their protagonists and spokesmen to say, "See what we have done. We have brought forward an act of parliament providing for vocational rehabilitation".

They will also be, not duty bound in law but I think morally bound to say, "Of course, we have not done anything different from what the Liberals did. They really brought this measure in. All we did was to bring it forward in a different form".

I do not like to inject a political note into my first major speech since returning to the house, but I know enough about politics to know that the Prime Minister, who was so gracious to me today, will certainly in the next election hold up a number of acts as a

record of the achievement of this government. One of the things he will hold up will be this vocational rehabilitation act, as though it were a new initiative in the field of social reform, when in fact it has been part of the law of this country for over 12 years.

I would have been interested in hearing what the Minister of National Health and Welfare had to say about this matter, because while much has been done in this field by the Department of Labour, very considerable work is being done by the Department of National Health and Welfare in the rehabilitation of disabled people.

When you combine the work of the Department of National Health and Welfare with that of the Department of Veterans Affairs and the Department of Labour, the program is indeed much more impressive than the criticisms of the hon. member for Peterborough warrant. The hon. member undersold his country today, not intentionally, because we really have done a tremendous amount in the field of rehabilitation. But I can understand why the hon. member for Peterborough did not realize this fact. It was because we were confronted today with all the trappings and all the setting of something that was new which had been originally conceived by the former administration.

It must not be forgotten that the rehabilitation grants provided for by the government of Canada under the national health program are of the greatest significance. When one thinks of the work of Dr. Gingras in the city of Montreal in the field of medical rehabilitation; when one thinks of the work being done by the paraplegics in Toronto, each made possible as a result of moneys voted by this parliament 10 years ago, I cannot help but think that we should put this matter into proper perspective.

As the hon. member for Lincoln says, the work of the compensation board, the work of the provincial governments, the work of the arthritis and rheumatism society, the work of the tuberculosis association, the work of the muscular dystrophy groups, all this voluntary work throughout the country is part of a continuing effort with the government toward a productive and outstanding program of rehabilitation which, I think, warrants our saying that this is a field which has not been neglected in Canada. It is not being approached for the first time by this government which announces, through its propaganda agencies, that it has done more in the field of social welfare than was ever done in the history of Canada.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): Hon. members applaud, but the fact is otherwise, and their applause now serves to justify the very warning I am giving to them. This is not an initiative; this is not a new measure. This is merely putting into a new form something we have been doing for a long time, and the kind of applause we have just heard serves to confirm my fears that this measure *inter alia* will be used for the purpose of conveying the impression that the first effort in the field of vocational rehabilitation was undertaken by the present government. That, of course, is not the case.

Mr. Thrasher: Would the hon. member permit me to interrupt him for a moment? He mentioned various organizations and societies which were doing something in this field. In view of the fact that the cancer society is now engaged in a drive for funds perhaps he would mention them.

Mr. Martin (Essex East): I am very glad the hon. member has mentioned the cancer society and certainly we cannot do too much to assist that society which, by the way, in 1949 was invited to Ottawa by the then minister of national health and welfare—the hon. member for Greenwood laughs, but I tell him this: as a result of that invitation there came into being the Canadian Cancer Institute which is one of the most impressive contributions ever made to attacking this whole problem in our country. The hon. member for Halton—

An hon. Member: An excellent autobiography.

Mr. Martin (Essex East): That might be an interpretation, but I think the hon. member should know that I am not ashamed of that autobiography. I was referring to the hon. member for Halton. His father, the distinguished Dr. Best, one of the most outstanding medical research scientists in our country, could confirm practically everything I have said here today because he was one of those along with Penfield at Montreal, along with Collip at Western, along with Brown at McGill, who collaborated with the government. All this really shows that what I have been saying is true, that we are today doing nothing new in this field. Not one additional cent is being expended. If the government had come forward and said: we need more money to do this job better, that would have been an initiative but that is not what we have today.

The Minister of Labour in his opening remarks, after he had cited the resolution, said that it would encourage action which would enable many seriously disabled Canadians to rise above their handicaps. I disagree with that statement. That authority now exists and this parliament will not deny to any Minister

of Labour the right to continue to do work of that kind. The minister continued by saying that the humanitarian purpose behind this legislation would appeal to all members of this house because it would bring new hope and encouragement to many of our less fortunate citizens. I think that is an exaggerated statement. This legislation will confirm the hope which already exists among every member of this house in all parties, because the provisions which make such hope possible are now the law of the land. Of course, this resolution deserves support for the reason mentioned by the minister in the middle part of his speech but not for the reasons he gave at the beginning of his speech. Everybody in this house wants to support the disabled.

Incidentally, no reference is made here to disability pensions and none has so far been made during this debate. Disability pensions provide financial assistance for over 60,000 disabled people in this country. That is not covered by this resolution. That will not be covered by the bill. That is already part of the law of the land.

I hope the minister will not think that on my first day after returning from an illness I have been unappreciative of the attitude of my colleagues in this house toward me, but I hope both he and they will recognize that in the analysis I have sought to make of this problem I have simply reconfirmed our belief in the desirability of doing something to help the disabled people of this country. But I have also done my duty in calling attention to the proper perspective which can provide a background to our discussion of this measure.

Resolution reported and concurred in.

Mr. Starr thereupon moved for leave to introduce Bill No. C-84, respecting the vocational rehabilitation of disabled persons and the co-ordination of rehabilitation services.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. McMillan: May I ask the leader of the house if there is any change in our business contemplated in the next two days?

Mr. Churchill: No change. We shall carry on with estimates tomorrow and Friday, taking the departments of the post office, northern affairs and justice in that order.

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

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of the debates pursuant to standing order 39:

WHITE BEAR INDIAN BAND FUNDS, SASK.

Question No. 139—**Mr. Howard:**

With respect to the White Bear Indian band of Saskatchewan, what is (a) the amount in the (i) capital account (ii) revenue account; (b) the amount of revenue for each year since 1948 from (i) leases (ii) royalties (iii) other sources by designation, with an indication in each case of the name of the person or company who made such payments; (c) the amount of band money allocated for expenditures for each of the years 1958, 1959, and 1960, and the purpose of each such expenditure; (d) the amount of money expended by the Indian affairs branch for each of the years 1958, 1959, and 1960, and the purpose of each such expenditure?

Questions

Answer by: **Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration):**

(a) (i) Capital account balance as at Feb. 1, 1961—$80,325.75; (ii) Revenue account balance as at Feb. 1, 1961—$17,723.64.

(b) (i) REVENUE FROM LEASES AND NAMES OF PAYEES

1948–49	$ 1,378.75	Town of Carlyle, Sask.
1949–50	1,790.75	Town of Carlyle, Sask.
	2,996.70	Ajax Petroleum Ltd.
	$ 4,787.45	
1950–51	$ 1,528.58	Town of Carlyle, Sask.
	5,980.60	Ajax Petroleum Ltd.
	$ 7,509.18	
1951–52	$ 1,527.45	Town of Carlyle, Sask.
	5,967.80	Ajax Petroleum Ltd.
	$ 7,495.25	
1952–53	$ 1,705.73	Town of Carlyle, Sask.
	5,967.80	Ajax Petroleum Ltd.
	$ 7,673.53	
1953–54	$ 1,940.96	Town of Carlyle, Sask.
	5,967.80	Ajax Petroleum Ltd.
	$ 7,908.76	
1954–55	$ 1,898.24	Town of Carlyle, Sask.
	10,326.45	Ajax Petroleum Ltd.
	$12,224.69	
1955–56	$ 1,941.50	Town of Carlyle, Sask.
	14,432.00	Ajax Petroleum Ltd.
	$16,373.50	
1956–57	$ 2,023.24	Town of Carlyle, Sask.
	14,548.00	Ajax Petroleum Ltd.
	1,050.00	Ajax Petroleum Ltd.
	$17,621.24	
1957–58	$ 2,149.20	Town of Carlyle, Sask.
	6,615.35	Ajax Petroleum Ltd.
	3,104.00	Pan American Petroleum Ltd.
	50.00	Camp-Site Rentals
	$11,918.55	

Questions

(b) (i) REVENUE FROM LEASES AND NAMES OF PAYEES—*Conc.*

1958-59	$14,423.00	Tidewater Oil Co.
	125.00	Ajax Petroleum Co. Ltd.
	$14,548.00	
1959-60	$ 9,408.00	Pan American Oil Co. Ltd.
	14,782.00	Tidewater Oil Co.
	2,306.95	Town of Carlyle
	9,813.39	Camp-Site Rentals
	$36,310.34	

(b) (ii) REVENUE FROM ROYALTIES

(1) 1948-49 to 1954-55 Inc.—Nil.
(2) 1955-56—Tidewater Oil Co.—(Oil royalties)—$318.56.
(3) 1956-57 to 1958-59 Inc.—Nil.
(4) 1959-60—Tidewater Oil Co.—(Oil royalties)—$1,118.07.

(b) (iii) OTHER SOURCES OF REVENUE—CAPITAL ACCOUNT

1951-52	$ 400.00	Sale of pickets paid by J.R. Morrison.
1954-55	$ 667.74	Gravel dues province of Sask.
1955-56	$ 49.34	Shares of transferred Indians (Violet Wasacase)
1956-57	$ 8.16	Shares of transferred Indians (Annie Ironstar)
1957-58	$ 477.79	Gravel dues—province of Sask.
	87,067.20	Oil bonus—Pan American Petroleum Corporation
	$87,544.99	
1958-59	$ 10.00	R.T. Smith—overpayment of cash distribution.
1959-60	$15,199.50	Tidewater Oil Co.—Oil bonus
	58.28	Shares of transferred Indians
	$15,257.78	

OTHER SOURCES OF REVENUE—REVENUE ACCOUNT

1949-50	$ 200.00	Collections re pickets from Crooked Lakes Indian agency trust account.
	1,317.83	Government interest
	$ 1,517.83	
1950-51	$ 50.00	Sundry collection payment from John Buffalo Calf on admission to White Bear band as per conditions of transfer
	$ 1,274.72	Government interest
	$ 1,324.72	
1951-52	$ 1,470.39	Government interest
1952-53	$ 1,000.00	Trespass damage paid by Tidewater Oil Co., May 6, 1952.
	1,718.37	Government interest
	$ 2,718.37	
1953-54	$ 1,065.00	Compensation for clearing roads—paid by Tidewater Associated Oil Co.
	579.09	Collections seed account
	61.00	Trespass fines—R.C.M.P.
	1,743.34	Government interest
	$ 3,448.43	

Questions

(b) (ii) OTHER SOURCES OF REVENUE—REVENUE ACCOUNT—*Conc.*

1954–55	$ 1,763.78	Government interest
	11.00	Trespass fines—R.C.M.P.
	66.00	Refund—Interest distribution
	$ 1,840.78	
1955–56	$ 31.40	Shares of transferred Indians (Violet Wasacase)
	46.20	Trespass fines—R.C.M.P.
	50.50	Collections—seed account
	2,193.99	Government interest
	$ 2,322.09	
1956–57	$ 10.37	Shares of transferred Indians (Annie Ironstar)
	122.00	Trespass fines—R.C.M.P.
	100.00	Taxi licences
	61.05	Collections—Gas and oil
	1,983.19	Government interest
	$ 2,276.61	
1957–58	$ 145.50	Collections—Gas and oil
	155.00	Taxi licences
	1,956.16	Government interest
	$ 2,256.66	
1958–59	$ 307.19	Collections—Gas and oil
	100.00	Taxi licences
	65.00	Fines trespass—R.C.M.P.
	57.48	Repayment of funeral account
	6,320.36	Government interest
	$ 6,850.03	
1959–60	$ 218.00	Refund of agricultural assistance
	35.55	Shares of transferred Indians
	3,717.00	Collections—Gas and oil
	50.00	Trespass fines—R.C.M.P.
	4,252.08	Government interest
	$ 8,272.63	

(c) WHITE BEAR BAND

EXPENDITURES—1957–58

CAPITAL ACCOUNT

$ 5,600.00	Cash distribution
130.47	Enfranchisements
237.79	Shares of transferred Indians
$ 5,968.26	

REVENUE ACCOUNT

$ 336.45	Agricultural assistance
2.57	Band farm
29.00	Veterinary services
37.44	Enfranchisements
23.16	Shares of transferred Indians
44.99	Assistance to pupils
20.00	Food distribution
281.00	Funerals
7,233.51	Relief
177.40	Advertising
8.48	Elections
232.00	Salaries—Chiefs and councillors
63.50	Roads and bridges
68.10	Housing
24.00	Advances not accounted in 1957–58
$ 8,581.60	

EXPENDITURES 1958-59

CAPITAL ACCOUNT		
$34,360.00	.....	Cash distributions to Indians
181.45	.....	Enfranchisements
761.13	.....	Shares of transferred Indians
$35,302.58		
REVENUE ACCOUNT		
$ 975.77	.....	Agricultural assistance
21.25	.....	Band farm expenses
34.95	.....	Fencing
73.50	.....	Veterinary services
43.84	.....	Enfranchisements
54.42	.....	Shares of transferred Indians
7.00	.....	Transportation to hospital
3,245.00	.....	Food distribution
697.05	.....	Funeral accounts
11,136.21	.....	Relief
236.00	.....	Salaries—chief and councillors
619.32	.....	Skating rink
520.49	.....	Roads and bridges
3,298.60	.....	Housing
6,507.55	.....	Advances (Accounted in 1959-60)
$27,470.95		

EXPENDITURES 1959-60

CAPITAL ACCOUNT		
$ 270.00	.....	Cash distribution
491.46	.....	Enfranchisements
240.00	.....	Annuities
6,000.00	.....	Purchase of land (town of Carlyle)
$ 7,001.46		
REVENUE ACCOUNT		
$ 713.66	.....	Agricultural assistance
80.69	.....	Fencing
41.49	.....	Horses and equipment
49.00	.....	Stationery and supplies
186.00	.....	Clearing land
19.59	.....	School buildings
95.00	.....	Cash distributions
75.27	.....	Enfranchisements
5,282.92	.....	Food distribution
374.00	.....	Funerals
12,878.36	.....	Relief
195.00	.....	Advertising
6.85	.....	Sanitation
272.00	.....	Salaries—chief and councillors
2,099.80	.....	Day labour
44.95	.....	Skating rink
6,000.00	.....	Purchase of land
527.92	.....	Roads and bridges
3,350.00	.....	Housing
8,963.07	.....	Advances not accounted in 1959-60
$41,255.57		

(d) Moneys expended out of appropriations by the Indian affairs branch are recorded in the accounts by agency and not by individual band. It would not be possible to furnish the information requested with respect to the White Bear band separately without a detailed examination of each item of expenditure in the Crooked Lake agency, Broadview, Sask., covering the three-year period 1958, 1959, and 1960.

MOVEMENTS OF FODDER—PAYMENTS TO PROVINCES

Question No. 161—**Mr. Boulanger:**

What amount has been paid to each province for moving fodder into areas where shortage existed in the year 1960?

Answer by: **Hon. Alvin Hamilton (Minister of Agriculture):**

1. Assistance for fodder movement was paid during 1960 to provinces as follows:

Manitoba, $130,714.33; Saskatchewan, $145,-023.58; Alberta, $7,038.47.

GRAIN STORAGE GRANTS, WESTERN CANADA

Question No. 163—**Mr. Boulanger:**

1. On what date was the plan initiated under which grants are paid for grain storage in western Canada?

2. What amount has been paid each year since that date?

Answer by: **Hon. Alvin Hamilton (Minister of Agriculture):**

Questions

1. The Temporary Wheat Reserves Act was passed on March 7, 1956. The act was retroactive to July 31, 1955 and thus first applied to the 1955/56 crop year.

2. Payments under the Temporary Wheat Reserves Act in each year since 1955 have been:

Crop year	Millions
1955/56	$31.5
1956/57	28.8
1957/58	35.6
1958/59	39.8
1959/60	43.6

HOUSE OF COMMONS

Thursday, April 20, 1961

The house met at 2.30 p.m.

PRIVILEGE

MR. PITMAN—ALLEGED ABUSE OF POWER BY MINISTER OF AGRICULTURE

Mr. Walter Pitman (Peterborough): Mr. Speaker, I rise on a question of privilege which affects every member in this house. My question of privilege is this. The Minister of Agriculture has grossly violated the rights of parliament and assumed powers beyond those authorized for him by substituting the powers of his department for the legislative powers of this parliament.

If I may direct your attention to the order paper for today you will see item No. 4, which reads "Second reading of Bill C-77, an act to provide for the rehabilitation of agricultural lands and the development of rural areas in Canada." Yesterday there came to my office not one, not two but 50 copies of a pamphlet which announces the agricultural rehabilitation and development act. I suggest to you, Mr. Speaker, that there is no agricultural rehabilitation and development act on the statute books of this nation. This pamphlet was produced by the information division of the Department of Agriculture, and some of us will remember some of the pungent comments that were made by the hon. member for Bonavista-Twillingate on that particular branch when the estimates of the Department of Agriculture were being considered.

I suggest to you, Mr. Speaker, that this is a flagrant abuse of the powers of this department. I suggest to you that this pamphlet states how A.R.D.A. will operate. How can the people of Canada be told how A.R.D.A. will operate when this bill has not received second reading? Is there a suggestion that second reading has no effect? Is it the contention that a debate in this house amounts to nothing more than the rubber-stamping of a measure?

Mr. Speaker: The hon. member has perhaps said enough to indicate the nature of his question of privilege. If he wishes to follow the matter with a motion I shall be glad to determine whether or not there is a prima facie breach of privilege.

Mr. Pitman: I wish to be fair to the Minister of Agriculture. There is nothing in this pamphlet which indicates that the bill has been passed.

Some hon. Members: Oh, oh.

Mr. Pitman: I will not, therefore, move a motion of censure or of any kind whatever.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I think the hon. member has gone as far as he should go in his alleged question of privilege.

Hon. Alvin Hamilton (Minister of Agriculture): In view of the question of privilege raised by the hon. member for Peterborough I think it should be explained to the house that in the debate on the resolution I made it very clear that I should like the opportunity to put this bill before not only the agriculture ministers and resources ministers of the provinces, but also the various farm organizations. I should like to inform the hon. member that across Canada at this very moment farm organizations are meeting and using this pamphlet as a guide to their discussions, so that when they meet their leaders they will have a sound basis on which to suggest amendments to the act—

Mr. Argue: There is no act.

Mr. Hamilton (Qu'Appelle): —or the bill to be passed. With that explanation I think the country will understand that in order to have organizations discuss a bill before it becomes law, you must have something tangible to put in front of them. I frankly intend to put out a series of pamphlets on how this act will affect various segments of the agricultural population. I hope they too will study it as part of the agricultural program to help farmers help themselves.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the minister's statement has nothing whatever to do, of course, with the question of privilege. The question dealt with the circulation of a pamphlet dealing with an act of parliament before that act was passed. Therefore, undoubtedly, that action on the part of the minister is treating parliament with contempt.

Mr. Speaker: I think perhaps it would be unfair to debate the matter unless there is a finding that there is a prima facie question of privilege and a motion. I was interested

in the hon. member's point that the department of the Minister of Agriculture had published a pamphlet indicating that there was on the books a statute of this parliament entitled the agricultural rehabilitation and development act, whereas in fact there is—

Mr. Pearson: No such thing.

Mr. Speaker: —such a bill before the house for second reading. It may be that a reading of the pamphlet would support that view. I have not had time to give a full reading to it, but the description on the face of it is "Agricultural rehabilitation and development act". The first paragraph reads as follows:

On December 15, 1960 the Minister of Agriculture introduced to the House of Commons a resolution concerned with improving the economic position of our farmers.

The resolution introduced the agricultural rehabilitation and development act, or A.R.D.A. for short. I think the implication that the act has been passed is not quite as strong as has been asserted. However, there is a point that no one should assert that parliament has acted before it has done so, particularly a minister. If it is borne out by this document, I think the hon. member would have a point to deal with by motion, but as he has himself indicated that he will not submit a motion, I think enough has been said to close the matter.

(Translation):

Mr. Boulanger (Drummond-Arthabaska): Mr. Speaker, a supplementary question. I wish to ask—

(Text):

Mr. Speaker: Order. I have indicated that I think any further discussion without a motion before the house would be improper.

BANKING AND COMMERCE

Fifth report of standing committee on banking and commerce—Mr. Cathers.

AGRICULTURE

BUTTER AND CHEESE—ANNOUNCEMENT OF SUPPORT PRICES

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, the government has authorized the agricultural stabilization board to continue the present level of price support for the dairy industry for the period May 1, 1961, to April 30, 1962.

There are two dairy products presently under price support. Price support for butter is 64 cents per pound for Canada first grade creamery butter scoring 40-93, basis delivery Montreal, with appropriate price differentials for other grades and qualities. Ontario cheese, Canada first grade waxed, f.o.b. warehouse, is presently supported at 32 cents per pound; and Quebec cheese, Canada first grade waxed, basis delivery Montreal, is supported at 31½ cents per pound.

The price support for these two dairy commodities for the 12-month period May 1, 1961, to April 30, 1962, will continue at these levels. In addition, 25 cents per hundred pounds will continue to be paid for whole milk delivered for manufacturing purposes, exclusive of milk from producers who sell a portion of their milk in the fluid bottled milk market.

The stabilization board will continue for the present to support the price of butter and cheese by purchasing these products from suppliers at the prescribed support levels. Should any change be made subsequently in the method of support, an announcement will be made well in advance to give the industry sufficient time to make any necessary adjustments. Regardless of the method of support used, however, the level of support to producers now authorized will continue during the 12-month period from May 1, 1961, to April 30, 1962.

Hon. Paul Martin (Essex East): Mr. Speaker, all one can say with regard to this announcement by the minister is that the statement does not fully comply with the requests made by the dairy producers, as stated recently in the brief presented to the government by the federation of agriculture.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, in the light of all the propaganda that is being directed across the country against price support programs for the dairy industry, I am pleased that the government has announced the continuation of support prices on these dairy products. I always give the government credit when credit is due.

The announcement will reassure the dairy industry, particularly as the minister has assured dairy producers that the government will continue to purchase their products at these fixed support prices. This means a real guarantee and is in no way a phony guarantee such as would come from an average price deficiency support program. The minister has left the door open to a change in method, but he did seem to assure the dairy industry that even if the method is changed these particular guarantees to the producers will be maintained. Apparently for the coming year the dairy industry will have the support prices continued that they have enjoyed to date.

The minister left unanswered the question whether consumers will be allowed to purchase butter at lower prices in order

to move it onto the markets. Perhaps the minister will have an announcement on this matter at a later time.

LABOUR CONDITIONS

WINTER WORKS—EXTENSION OF PROGRAM IN PICNIC AREAS

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, I am pleased to announce that the government has extended to May 31 the winter works program for the construction of picnic areas and camp grounds in the provinces. The program was originally scheduled to terminate on April 30. All participating provinces have been advised by telegram of this decision.

The program, which has resulted in an expenditure of $10½ million over the past four years and has provided 517,000 man days of employment, has been welcomed by all participating provinces as an outstanding contribution to our growing tourist industry.

GRAIN

BARLEY—ANNOUNCEMENT OF FINAL PAYMENT

Hon. Alvin Hamilton (Minister of Agriculture): Hon. members will recall that on February 13 last I announced the final payment on the 1959-60 oat account. I am now pleased to be in a position to announce final payments on the 1959-60 barley account.

The 1959-60 barley pool was closed as at March 30, 1961. Producers delivered 94.9 million bushels of barley to the pool and the surplus for distribution to producers is $2,022,170.66. The final payments for distribution to producers on the principal grades of barley are as follows:

No. 2 Canada western 6 row	2.173
No. 3 Canada western 6 row	2.173
No. 4 Canada western 6 row	1.183
No. 2 Canada western 2 row	7.123
No. 3 Canada western 2 row	3.658
No. 1 feed	1.182
No. 2 feed	3.960
No. 3 feed	8.138
Tough No. 3 Canada western 6 row	2.173
Tough No. 3 Canada western 2 row	3.658
Tough No. 1 feed	1.182
Tough No. 2 feed	3.960
Tough No. 3 feed	8.138

The final barley payment will commence immediately.

Mr. Hazen Argue (Assiniboia): About this time of the year we expect an announcement about the final payments on various grains. The payment which has been announced now is very tiny, almost insignificant, and this demonstrates that in the selling of barley the wheat board, as far as making a final payment is concerned, was operating on a very narrow margin. While producers will always be prepared to take advantage of the final payments, the present announcement means that the prices for barley now being received are lower than they were a few years ago.

NATIONAL DESIGN

PROVISION FOR ESTABLISHMENT OF COUNCIL

Hon. George H. Hees (Minister of Trade and Commerce) moved for leave to introduce Bill No. C-85, for the establishment of a national design council.

Motion agreed to and bill read the first time.

EXTERNAL AFFAIRS

CUBA—GOVERNMENT POLICY RESPECTING MAINTENANCE OF RELATIONS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask a question of the Prime Minister. In view of the latest developments in Cuba and yesterday's statement on the subject by the right hon. gentleman, is it the policy of the government to continue to maintain what the Secretary of State for External Affairs described on Wednesday in New York as normal relations with the Castro government in Cuba?

Right Hon. J. G. Diefenbaker (Prime Minister): As the hon. gentleman knows, throughout the years, no matter what our disagreements may be with other nations as far as their philosophy is concerned, we have endeavoured to conduct normal relations.

OTTAWA—SECURITY ARRANGEMENTS AT DIPLOMATIC OFFICES

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Secretary of State for External Affairs a question arising out of a reported statement made yesterday by the right hon. Prime Minister of India in the parliament at New Delhi, a statement which amounts to an implied criticism of what the Prime Minister of India calls inadequate security arrangements made with regard to offices such as those in which the unfortunate incident took place in Ottawa yesterday. Does the Secretary of State for External Affairs not feel that he should make a statement in reply to the reported statement of the Prime Minister of India?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, in the first place I should like to express the deepest distress which I know is felt throughout this house over the wanton murder of the Indian first secretary yesterday in Ottawa, and our great regret that a frightful crime of this kind

should have taken place in this city which cost the life of a respected member of the diplomatic corps. The house will wish to join with me in extending the sincerest sympathy to the bereaved family. I am informed that a complete investigation is under way into this crime, but I fully realize that no punishment can repair the grievous loss of this young man's life or erase the deep shock which all of us have felt at this tragedy.

We have not yet received the text of what Mr. Nehru is alleged to have said in the Indian parliament, and I would not wish to comment simply on the basis of a radio report. However, as the hon. member for Essex East knows, diplomatic missions in Ottawa, like the general public, are protected by the law and order which is assured for all in this city in the normal way by the competent local authorities. It is not our practice to provide any additional security unless such protection is requested by the foreign mission itself or there is reason to believe it is needed. Hon. members will, of course, appreciate that security within the precincts of any diplomatic mission is naturally a matter for the mission itself to arrange and is not the responsibility of any Canadian authorities.

We feel very deeply about this unfortunate incident, and I do not think there is anything further that I can say at the present time.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I would like to associate this group with the condolences expressed by the Secretary of State for External Affairs on account of this most unfortunate and regrettable event. I would like to ask him whether he is aware of the fact that the protection staff were very concerned about this person and had on a number of occasions warned various secretaries and members about this man being in the building.

Mr. Green: Mr. Speaker, so far as the Department of External Affairs is concerned, we had absolutely no information about this man being a danger in the community. What knowledge there may have been elsewhere I am not in a position to say.

CUBA—ALLEGED RECRUITING AND ARMING OF CANADIANS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. In view of the statement by Mr. Kevin Griffin, while being interviewed on a television news broadcast last evening over CJOH, that he was one of 100 Canadians from the maritimes who had volunteered to fight against the government of Cuba as a mercenary at a salary of $800 a month, still unpaid, and further that they were equipped with Canadian army issue rifles, Bren guns and grenades, would the minister inform the house whether he has any knowledge of this recruiting on behalf of the Cuban counter-revolutionary army and of the equipping of these men with Canadian rifles, Bren guns and grenades, which Mr. Griffin indicated may have been obtained from a Canadian army source? Has the minister any comments to make with respect to this statement, which is causing serious concern to many people? I might say that my telephone has been ringing almost continuously all morning.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, in answer to this question may I say we have no knowledge of the kinds of activities which apparently were described by this person on television last night. My understanding is that he did not suggest he had been recruited in Canada. The policy of the Canadian government has been and is not to tolerate the recruiting of Canadian citizens by foreign agents on Canadian soil. As hon. members know, no export of military equipment to the Caribbean region has been authorized since July of 1959.

Mr. Herridge: I should like to ask the Minister of National Defence a supplementary question based on my question to the Secretary of State for External Affairs. Can the minister enlighten the house further with respect to the statements made by this person on television?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I should like to thank the hon. member for giving me notice of his intention to ask this question. The man in question, Griffin, served in the Canadian navy for some time, from which he was released because of a pulhems S-5 rating. Subsequently he enlisted in the Canadian army under his brother's name and served in the army from January, 1957 to July, 1957. His proper name finally became known and he was released, again with an S-5 pulhems profile.

With regard to the statement which I am told he made on television last night that Canadian .303 rifles, Bren guns and Sten guns stolen from Camp Gagetown were issued to these people alleged to have been recruited in Canada, I am informed there have never been any .303 rifles, Bren guns or Sten guns issued at Camp Gagetown. From the time the camp opened the new rifle was issued there. There have been no thefts at Camp Gagetown since January 1 of 1960, except for one pistol.

Therefore the allegation that these were Canadian rifles, Bren guns and Sten guns stolen from Camp Gagetown is completely incorrect.

Mr. Pugh: Would the minister explain the significance of the pulhems S-5 rating?

Mr. Harkness: Mr. Speaker, I do not think I had better go into the whole list of pulhems tests. It is a stability rating.

LABOUR CONDITIONS

THREATENED RAIL STRIKE—INQUIRY AS TO FURTHER TALKS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): May I ask the Prime Minister whether he will comment on press reports that certain interviews have been held by members of the government with the presidents of the railway companies and the chief negotiator for the railway unions. Can the right hon. gentleman further tell the house whether a settlement seems imminent, and what further action is being taken by the government to bring this about?

Right Hon. J. G. Diefenbaker (Prime Minister): The government is naturally interested, as are the Canadian people, in a solution to the differences between the railway companies and the unions, and naturally has endeavoured to bring about negotiations and continuation of negotiations between the principals. Several of my colleagues—three to be exact—have met with the presidents of the two railways. The Minister of Labour has met with Mr. Hall, chairman of the negotiating committee of the unions, and I think I can say that we shall continue to have meetings between the government and each of these parties to the end that we hope—while I am not expressing any certainty in that hope—an amicable agreement may be arrived at.

ADMINISTRATION OF JUSTICE

CAPITAL PUNISHMENT—COMMUTATION OF DEATH SENTENCES

On the orders of the day:

Mr. Gabriel Roberge (Megantic): I should like to direct a question to the Solicitor General. Will the minister comment on the fact that 38 out of 48 death sentences have now been commuted by the present government, while in only 14 cases has there been a recommendation of mercy?

Hon. W. J. Browne (Solicitor General): Mr. Speaker, this matter involves the exercise of the royal prerogative of mercy and is carried out by the Governor General as the representative of Her Majesty the Queen. I do not think I should make any further comment on this matter.

(Translation):

NATIONAL DEFENCE

ST. JEAN MILITARY COLLEGE—DIRECTOR OF STUDIES

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to direct a question to the Associate Minister of National Defence. Would he advise the house about the appointment of a new dean of studies at the St. Jean Royal Military College?

Would the minister also avail himself of this opportunity to reply to the recommendations contained in a brief already submitted to him by the federation of St. Jean Baptiste societies, with regard to certain problems concerning the same college?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, in reply to the question of the hon. member for Sherbrooke, I am pleased to inform the house that the new dean of studies at the St. Jean Royal Military College has been selected. It is Dr. Gauthier, aged 40, who was successful in the competition held by the civil service commission and the selection committee. Dr. Gauthier was selected on the basis of his qualifications and ability.

With regard to the second part of the question, I feel that the time available to members and ministers on the orders of the day would not suffice to reply to all the points raised in the brief submitted by the federation of St. Jean Baptiste societies of the province of Quebec. However, it is my intention, at a later date, or probably when the national defence estimates are before the house, to give a full report on each of the points submitted concerning the problems relating to the St. Jean Royal Military College. As for now, may I inform the house that the Department of National Defence authorities intend to maintain the bilingual character of St. Jean Royal Military College. Moreover, they intend to maintain as accurately as possible the proportion of French-speaking and English-speaking students to 60 per cent and 40 per cent respectively.

Inquiries of the Ministry

I should also tell the house that the question of extending the present course to four years is being constantly and fully looked into. Besides, as I said a moment ago, I intend to give the house a report as complete as possible in the near future.

AGRICULTURE

DISTRIBUTION OF PAMPHLET RESPECTING REHABILITATION LEGISLATION

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I should like to put a question to the Minister of Agriculture. Could the minister inform us when he distributed the A.R.D.A. pamphlet and whether he has sent a copy to all the members?

(Text):

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, there has been no planned pattern of distribution. I sent copies to the various ministers of agriculture across Canada and to the heads of farm organizations as a basis on which they could make comments when I had my usual contact with them before second reading of the bill was moved. In the pamphlet it says that if further copies are requested they can be secured from the Canada Department of Agriculture. I should like to point out that not only the farm organizations but provincial governments as well have asked for them, including the government of Saskatchewan, which has asked for 2,500 copies.

(Translation):

Mr. Boulanger: Mr. Speaker, I must point out to the minister that nearly three weeks have now elapsed since I wrote asking for this pamphlet which I have not yet been able to obtain.

I should also like to ask the minister whether this particular pamphlet was published in French.

(Text):

Mr. Hamilton (Qu'Appelle): Yes, they will be published in the French language.

Mr. Frank Howard (Skeena): I should like to ask a supplementary question. Would the Minister of Agriculture indicate whether he also circulated the bill in the same manner?

Mr. Hamilton (Qu'Appelle): Yes, Mr. Speaker. The letter I sent to the ministers in the various provinces included a copy of the bill and a copy of the pamphlet, with a request that they study them so that when we met there would be some basis for discussion.

Mr. Hazen Argue (Assiniboia): Can the minister inform the house how many copies of the pamphlet have been printed?

Mr. Hamilton (Qu'Appelle): I do not know, but I will take the question as notice.

[Mr. Sevigny.]

Mr. G. J. McIlraith (Ottawa West): May I ask a supplementary question. Can the minister advise the house what was the cost of printing and circulating these pamphlets?

Mr. Hamilton (Qu'Appelle): I will be glad to take the question as notice.

(Translation):

HARBOURS

MONTREAL—REPORTIAL DENIAL OF ACCESS TO DOCKS

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): A question was asked on April 17 by the hon. member for Maisonneuve-Rosemont concerning the cancellation of restrictions placed upon persons who like to go fishing in the Montreal harbour.

I am advised by the national harbours board that its regulations prohibit entering upon its premises without proper authorization. Such prohibition is necessary so that harbour operations may go unhampered and that the public may be protected against dangers it might run against in harbour areas.

The board points out that it does not intend to thwart the legitimate eagerness of anglers provided that the spirit of the regulations be respected.

(Text):

INQUIRY FOR RETURN

FEDERAL ADVERTISING EXPENDITURES, 1960

On the orders of the day:

Hon. Noel Dorion (Secretary of State): Yesterday the hon. member for Fort William inquired as to when he could expect an answer to his question No. 132, which was passed as an order for return on March 22. The officials of my department communicated with the several departments still outstanding and I can inform the hon. member that I hope the return will be tabled shortly.

SASKATCHEWAN

RESERVATION OF LEGISLATION—REQUEST FOR TABLING OF DOCUMENTS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Prime Minister whether he will table the report from the lieutenant governor of Saskatchewan and any other relevant documents on the reservation of Bill 56 of the legislature of that province.

Right Hon. J. G. Diefenbaker (Prime Minister): I see no objection to that. However, before agreeing to do so I should ascertain whether, in the past, it has been

the custom to do so. If there is nothing to the contrary I see no reason whatever for not acceding to the request.

HOUSING

SECONDARY MORTGAGE MARKET—INQUIRY AS TO SALES

On the orders of the day:

Mr. W. H. McMillan (Welland): I should like to direct a question to the Minister of Public Works in connection with the announcement made by the minister that the government has directed C.M.H.C. to sell mortgages held in its portfolio. Can the minister say whether any such sales have already taken place or been negotiated?

Hon. D. J. Walker (Minister of Public Works): I will take that question as notice. Certainly none have been made under the new arrangements.

Mr. McMillan: May I ask a supplementary question?

Mr. Speaker: Order. The minister said he would take the question as notice.

SECONDARY MORTGAGE MARKET—REPLY TO REQUEST FOR INFORMATION AS TO REGULATIONS

On the orders of the day:

Hon. D. J. Walker (Minister of Public Works): Yesterday the hon. member for Burnaby-Coquitlam asked a question about the intention of the government to acquaint members of parliament with the new regulations. In my statement to the house on April 17 dealing with the subject of the development of a secondary mortgage market, I stated that there remain several technical and procedural matters to be resolved. These matters are presently being worked on, and shortly it will be determined whether we will require regulations to be established by order in council or whether we can establish procedures within the framework of existing legislation and regulations. The house will be informed of the details when the various matters are resolved.

TRANSPORT

MONTREAL—INQUIRY RESPECTING LETTER REFERRING TO SUBWAY PROJECT

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I should like to direct a question to the Prime Minister. In today's edition of *La Presse* there is a reference to a letter written to the authorities of the city of Montreal by the Prime Minister in respect of a subway project. Would the Prime Minister let us know the contents of this letter?

Right Hon. J. G. Diefenbaker (Prime Minister): I think the best thing to do is for me to table the letter. I will do that tomorrow.

RICHELIEU WATERWAY—FORMATION OF JOINT U.S.-CANADA COMMITTEE

On the orders of the day:

Hon. Howard C. Green (Secretary of State for External Affairs): On April 14 I took as notice a question which was asked by the hon. member for Chambly-Rouville and which read as follows:

> Could the minister inform the house about a press report in this morning's paper to the effect that the secretary of state of the United States is attempting to obtain the views of the Canadian government regarding the formation of a Canada-U.S. joint committee to consider the feasibility of deepening the Richelieu river?

The answer to that question is that I have seen a press report dealing with this matter which may well be the one referred to by the hon. member in his question of April 12 addressed to the Acting Minister of Transport. There has, however, been no communication this year from the United States authorities regarding the formation of a joint Canada-U.S.A. committee to study the feasibility of deepening the Richelieu river.

FINANCE

PROPOSED U.S. TAX ON COMPANY PROFITS INVESTED ABROAD

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to address a question to the Minister of Finance based on another telephone call from a gentleman. In view of President Kennedy's reported proposal to congress today that United States companies operating abroad be no longer granted tax exemptions on profits reinvested in those countries, may I ask whether this proposal, if given effect by congress, will restrict investment in Canada and have an unfavourable effect on the expansion of the Canadian economy?

Mr. Speaker: Order. If the minister wishes to answer he may do so, but in my opinion the question is asking for information about a purely hypothetical situation which will not arise unless congress adopts the proposal.

TRADE

WHEAT—INQUIRY AS TO FURTHER SALES TO CHINA

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I wonder whether the Minister of Agriculture would

have anything to report to the house concerning the negotiations between Canada and China for the sale of further quantities of Canadian wheat. Would the minister care to say whether the report that agreement has been reached for the sale of 80 million bushels of wheat to China is correct? If so, will the announcement be made immediately?

Hon. Alvin Hamilton (Minister of Agriculture): As I said in answer to a question by the Leader of the Opposition some time ago, this matter is still under discussion and it is not in the public interest to say any more.

Mr. Argue: Mr. Speaker, is the minister, by his statement, denying that part of the report which says an announcement will be made after seeding so the farmers will not seed additional acreage to wheat?

Mr. Hamilton (Qu'Appelle): I think the hon. member for Assiniboia has a suspicious mind.

Mr. Argue: You did not deny it.

INDUSTRY

AUTOMOBILES—INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to ask the Prime Minister whether he is in a position now to indicate when we may expect the tabling of the royal commission report on the automobile industry by Professor Bladen?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the answer is in the negative.

Mr. Martin (Essex East): In view of the fact that Professor Bladen is reported to have discussed matters with the Prime Minister a few days ago, can the Prime Minister say whether the report will be tabled before the presentation of the budget by the Minister of Finance?

Mr. Diefenbaker: I am unable to say.

PUBLICATIONS

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Prime Minister whether we are likely to receive the report of the O'Leary commission before the press gallery dinner?

Right Hon. J. G. Diefenbaker (Prime Minister): I do not know what the contents will be, but I would hope it would be afterward.

ESTATE TAX

CONVENTION BETWEEN CANADA AND UNITED STATES FOR AVOIDANCE OF DOUBLE TAXATION

Hon. Donald M. Fleming (Minister of Finance) moved the third reading of Bill No. C-82, to implement a convention between Canada and the United States of America for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons.

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

SUPPLY

The house in committee of supply, Mr. Flynn in the chair.

POST OFFICE DEPARTMENT

308. Departmental administration including Canada's share of the upkeep of the international bureaux at Berne and Montevideo, $2,174,216.

Mr. Fisher: Mr. Chairman, it is really an impertinence to get up a second time on the first item of the minister's estimates, but I think I have a point that will interest the committee and I am sure will interest the minister. The Liberal party established a provisional kind of shadow cabinet to sit opposite the government departments in order to keep check. We all know the flair, the élan, and the wit which the hon. member for St. Denis has applied to this task. He has taken it with a great deal of seriousness. In a sense he has met the minister on many points of conflict, and we have had a great deal of humour and wit in the house with regard to the Post Office Department.

This is in a tradition. When the Conservatives were in the opposition the present Postmaster General was very much to the fore as the critic of the post office in that particular party grouping. We know how, with perhaps not quite the wit or the élan but certainly with even more persistence and study, he continually analysed and criticized the Post Office Department. Just the other day the Postmaster General was taken very much to task for the fact that he had failed to really carry out all the changes and improvements he had advocated when he was in this shadow cabinet position.

I hope that my remarks when I first spoke on this item indicated that I at least as an individual member have a great respect for the way in which the minister has gone into the operations of his department. Whatever the criticisms we may make, I think he has made an inordinate effort in relation to the job, more than most ministers do, in order to master all the details of the department. In fact he has become so knowledgeable about

all details that it is really superfluous for him to have in front of him the officials of the department. We have here a minister who really knows all the aspects of his department's operations and who is prepared to give them at the drop of the hat.

Being aware of this situation, being somewhat of a suspicious mind—I hope not in a bad sense—and having a few pipe lines, and by that I mean avenues of communication—to various parts of Ottawa, a couple of things have struck me in relation to this department. As I say, the minister is much more knowledgeable than the average minister about the operations of his department. Normally the estimates of the Post Office Department come in later in the year. This tends to be the pattern. I found out—and I could be corrected in this respect—that the deputy minister of this particular department, the civil servant in charge, seems to be due for retirement in May, 1961. These two pieces of information I began to put together with a little bit of questioning and a little bit of probing. I have a very hot tip, you might say, for the committee and it is to the effect that we may be able to look forward to having this extremely competent and knowledgeable minister of the crown as the next deputy minister in charge of the Post Office Department.

An hon. Member: That knocks you out.

Mr. Fisher: I am afraid I have not the knowledge of the Post Office Department which is possessed by the Postmaster General. It seems to me that this suggestion opens up all kinds of prospects. At by-elections the question will be asked whether it is a case of little furry animals deserting the ship and all that sort of thing. I hate to put it from that point of view, but I raise the spectre for the committee. Suppose—and I am not conceding it for a moment—that at the next election the Liberal party should win.

Mr. Martin (Essex East): They will win.

Mr. Fisher: Suppose they pick their shadow cabinet critic, the hon. member for St. Denis to become Postmaster General. I ask you to conceive of this situation.

Some hon. Members: Oh, oh.

Mr. Fisher: I ask you to conceive of the hon. member for St. Denis as Postmaster General and the present minister as deputy postmaster general. This leads me to present to the minister several questions. I should like to know whether it is true that we are to have at some time in the near future a replacement, because of retirement or other circumstances of the deputy minister in charge of the department. I should also like him to tell me whether this mastery he has gained of the department is again going to be put to such use as I have indicated or, in other words, whether we can look forward to his being a senior civil servant.

I have not any criticism to present of this particular trend. I know there is some criticism of the other government to the effect that they used to take people out of the civil service and put them into the cabinet. I do not think it is such a bad thing.

Mr. Macdonnell: I always listen with interest to the hon. member. I have followed his remarks today, but up to the present time I have been unable to ascertain whether he is making a political speech or telling us a fairy tale. May we know which it is?

An hon. Member: It is the same thing.

Mr. Fisher: I cannot tell the hon. member whether it is a fairy tale. As a private member the hon. member knows how difficult it is for a private member to confirm all these things. However, I was trying to put together a few points that have come to my attention and, quite frankly, a rather hot tip. I thought this was the place, namely on the minister's estimates just before he makes a statement, to ask him whether he could enlighten us upon this possibility. As I say, I am not being political. I would not mind seeing the Postmaster General as the senior civil servant of the department. I do not know what are the views of other hon. members, but I am willing to admit that he is extremely knowledgeable about this department. However, there is raised, as I said, the issue of the hon. member for St. Denis vis-à-vis the deputy minister. It also raises the question of instead of elevating civil servants to the cabinet, making members of the cabinet civil servants. I believe this to a degree is a new trend, and I think we would welcome the minister's comments upon this particular point of view.

Mr. Hamilton (Notre Dame de Grace): I think perhaps at this time I should deal with some of the points raised in the last day and a half, and perhaps first and immediately with the fantasy which the hon. member for Port Arthur has built upon the one and only piece of information that is known or even under consideration, as far as I know, by anyone. I refer to the fact that the deputy minister reaches the normal age of retirement some time during this summer. The appointment of deputy ministers rests with the Prime Minister. Certainly if the hon. member calls that a hot tip, I call it rather cold information.

Mr. Martin (Essex East): May I ask the minister a question?

Mr. Hamilton (Notre Dame de Grace): Yes.

Supply—Post Office

Mr. Martin (Essex East): In view of the fact that the hon. member for Port Arthur has announced that he does not intend to run for parliament again, would the minister consider the appointment of the present hon. member for Port Arthur as the successor to the present deputy minister in the Post Office Department?

Mr. Hamilton (Notre Dame de Grace): The only thing I have to say on that matter is that undoubtedly if it were done he would be much happier under me than under the other supposition that the hon. member for St. Denis would be postmaster general.

Having as definitely as I can dispelled any of the suggestions made by the hon. member for Port Arthur with regard to the deputy postmaster general, I want to thank him very much indeed for the compliment. The long experience and background of the present deputy and the contribution he has made to the department over the years mean that his shoes are going to be big and difficult ones to fit. Anyone who is even considered for the post should certainly be proud.

Listening to the comments of the various opposition members and the criticisms of the department I could not help but remember a story. I think this perhaps sums up their attitude as I see it. This is the story of the guide who had a rather remarkable hunting dog of which he was very proud. The guide took a member of the opposition out duck hunting. They got into the blind, and after they had been there a little while the ducks started going in. They shot one of the ducks and it fell into the water. The guide turned to his remarkable dog and said "Fetch". The dog started off after the duck, and the remarkable thing about the dog was that, having large paws, he ran across the water rather than swimming to pick up the duck.

He picked up the duck and brought it back into the blind. The member of the opposition said absolutely nothing about this. The guide was rather upset that nothing had been said, and he turned to the member of the opposition and said, "Didn't you notice anything remarkable about the dog?" The member of the opposition said, "Yes; he can't swim".

It seems to me it is possible for the opposition to overlook all the accomplishments of all the different groups in the department and at the same time pick away, without foundation in most cases, at a few things which some hon. members suggest imply that there is something wrong. As far as I am concerned the criticism that has been levelled against me by hon. member after hon. member, of taking too much pride in the Post Office Department and its accomplishments and reporting them with too much pride to this house—to the extent that this criticism is made and is true, I am very happy. I am immensely proud of what this department and every person in it has accomplished. I have no apology to make for the way in which my statement was presented on behalf of the department.

I want to thank all hon. members who have participated in the debate. Their helpful ideas will be given every consideration. I will reply now to as many of the points as possible. Others can be raised on the individual items, or where we have not the information available now we will answer by correspondence as rapidly as possible.

I want to say to the hon. member for St. Denis that I regret the general attitude he took, that this debate is a time for buffoonery. The House of Commons has ample opportunity, and sometimes ample need, for humour. Certainly we appreciate it, but the House of Commons is not a burlesque house, as I felt some of his remarks tended to make it. The report of his speech made news right across the country. However, it was not the type of news which I think in general helped the reputation of this house as a chamber of serious debate. The height of his contribution —if one can dignify any particular item by having any height, though I suppose that among mole hills almost anything is a mountain—was the question of automation, mechanization and postal progress.

I gather that the hon. member is against such measures, although it is a little hard to tell. He is reported in *Hansard* as saying, and I use his exact words:

(Translation):

I am all for progress, but I am against it—

(Text):

The English translation of these remarks is officially:

I am all for progress, but I am against it.

Again on the same item, as reported at page 3640 of *Hansard*, the hon. member said:

(Translation):

I am all in favour of forging ahead and keeping in step with other countries, but... I think it is time to put a stop to such experiments—

(Text):

The official English translation is:

I am all in favour of forging ahead and keeping in step with other countries, but... I think it is time to put a stop to such experiments...

I do not think we have ever heard a better example of being on both sides of the fence at the same time and being completely illogical. I think these two quotations from page 3640 of *Hansard* will go down in history in that respect.

Nor are the hon. member's figures any more dependable than his reasoning. The hon. member's statement that the parcel post rate changes will yield a revenue increase of $22 million is quite wrong. The revenue increase,

as previously reported and which is on record in *Hansard* and available to all, is $9.3 million. The hon. member was quoting the total revenues which the department received two years ago from the parcel post rate.

The hon. member said:

(Translation):

—parcel post rates have gone up 90 per cent.

(Text):

The English translation is:

... parcel post rates have increased by 90 per cent.

The actual increase is 44 per cent. The hon. member says that the department's publication "Postmark" printed my picture 70 times. In 1960, even if you throw in all the members of parliament, my parliamentary assistant and myself, there were only 13 occasions on which our pictures appeared. More significantly, in 1960 some 1,642 postal employees' pictures appeared in our little magazine that is devoted to telling our staff what their far-flung organization is doing.

The hon. member for St. Denis said there was no French version of our public relations pamphlet "Letter Perfect". Such a version, which is an exact duplicate, is available on exactly the same basis and for the same purpose as the English one. I have it here, and I might mention in passing that to the best of my knowledge it was mailed to the hon. member with the same letter that went out to other hon. members of the house. I am looking at other hon. members over there and I am appealing to their honesty. They will know they received the French version of our pamphlet in the mail. Let them deny it.

The hon. member for St. Denis says that this year there were more thefts and more money involved in those thefts. In my opening remarks I pointed out that there were 295 post office break-ins in the past fiscal year as compared with 366 in the previous year. For the first 11 months cash and postage supply losses were down from $162,000 to $92,000, so the hon. member was wrong again.

There is no point in continuing with this recital of his discrepancies and errors, and I do not intend to do so. I merely point out that this is not a matter of differing opinions. This is a simple case of mathematics and facts being completely and absolutely wrong. His entire remarks with regard to the post office bristled with factual inaccuracies and wrong conclusions.

Now let me deal with a few of the other points raised by hon. members. First, automation and mechanization. We find that the Liberal party is against it. We find that the C.C.F. party favour it, each according to their remarks. We find the hon. member for St. Denis saying this on the subject:

(Translation):

He should at least wait until there is less unemployment before thinking about replacing men by machines.

(Text):

The translation is, and this is significant:

We should at least wait until there is less unemployment before thinking about replacing men with machines.

This is one of the fundamental differences between the hon. member for St. Denis and the whole Liberal party and myself and my party. We are looking ahead. Our work and our studies are not being carried out for the next two or three months; they are being carried out for years ahead. Our plans in the Post Office Department are for years ahead. The concept that you should wait until you are faced with a disastrous situation before doing anything about it, which is exactly the concept put forward by the hon. member for St. Denis, is of course completely wrong. The hard facts are that we have to think ahead. Machines must be developed if we are to continue our efficient operation with the increasing volume of mail and the increasing size of our cities. We must do this to keep postal rates reasonable and extend our services as members of parliament have asked us to do.

Look back over past history. We started off with men clearing letter boxes on foot and carrying the mail in bags over their shoulders. We mechanized with horses and wagons, and then with trucks. Do you want us to go back to the days of men clearing mail boxes on foot? We originally started off hand stamping every individual letter in order to cancel the postage stamp. Today we have machines for that purpose. Do you want us to go back to employing hundreds of people at rush times in the post office, who will be standing there stamping one letter after another and handling the mail? We used to have men carry bags from one point to another. It is a rough, difficult task. We put in conveyors to do it, to try to dignify people and free them to do other jobs which make a greater demand on their human intelligence.

I have no apologies to make for that sort of thing. Perhaps the best present example of how foolish is this argument against automation is that just within the past year, by the development of automated accounting processes, we have been able to pay our 8,000 revenue postmasters across this country twice a month instead of only once a month. This is something for which they have been asking for years and years. When I asked them if they would like to go back to a one pay a month system their remarks were not too complimentary, and I can understand why.

On the one hand we have the Liberal party saying the postal workers are ill treated by the present administration and that their morale is low, and on the other hand we have the hon. member for Kootenay West, representing another party of the opposition with no better reason to favour this government, saying that in recent years there has been a great improvement in morale owing to improvements in administration and working conditions. I think we need go no further than to add the fact that postal employees today are better paid and better treated and receive better co-operation from management within the post office than ever before in our history, and that none of them are afraid of postal progress or automation.

Criticism has been levelled at the public relations department generally. I think basically this represents a misunderstanding of one of the major functions of this department. This is not a group designed to get publicity for the post office as such. It is what one might call a customer relations operation in very large measure. The majority of the personnel in the department spend their full time in centres across Canada working with postal users, ironing out special problems, leaving postmasters free to contemplate the day to day administration of their offices.

On the question of the deficit, our policy, enunciated originally and adhered to since, is to so operate the department as to break even on our over-all operation. The estimated $9 million deficit this year is really due to salary adjustments which ran throughout the entire year. There is no complaint about that; they are fair, reasonable and just. Next year when the changes in parcel post rates are in operation I confidently expect the department again to come close to, or reach, this break-even point.

As far as the increase in parcel post rates is concerned, the opposition chose to criticise that as well, and I would remind them that this is the first increase in ten years. The amount of the increase has been very badly misrepresented; one hon. member said the increase amounted to as much as 100 per cent. In fact it represents an average increase of 44 per cent. One of our major actions was to remove a special rate which had previously existed within 20 miles of post offices. This concession had been introduced many years ago at a time when communications were not as good as they are today, and when many farmers were in the habit of doing their shopping by mail. In recent times this particular section of the rates was being misused by some of the largest mailers in Canada, who would bundle up their parcels and send them by freight or car to a particular post office, and thus serve a great mass of people within 20 miles of that post office at a rate substantially below cost. The elimination of that rate will react to the benefit of the small shopkeeper and the small operator.

It must be remembered, too, that over the past ten years rail transport costs have gone up 120 per cent, and that our clerks are making 40 per cent more than they formerly did. There have been five rate increases by our competitors since the last one we put into operation. Finally, parcel post is still by far the cheapest way of sending parcels in Canada. I quote three rates as examples. A one pound parcel for delivery in the same province cost 10 cents under the old rate. The present rate in 23 cents and the corresponding express rate is $1. A five pound parcel sent three provinces away cost 67 cents under the old rate; the new rate is 84 cents, and the express rate is $1.07. A ten pound parcel sent to an adjoining province cost 89 cents under the old rate and $1.14 under the new rate. The express rate is $1.30. I still think that in the field of parcel post rates we have a most satisfactory and economic service.

Then, as to patronage, if you listened only to the words and overlook the examples you would think we were doing terrible things in this field. I tried to look into as many cases of this so-called patronage as I could. In one case I found that the man was operating a bakery and intended to go on operating it. He could not be a postmaster if he was operating a bakery full-time. How can a man bake bread and be able to serve the public in another capacity at the same time? In a number of other cases, including one at Trail, I found that these were straight civil service appointments made by the civil service commission, and if anyone wishes to question the integrity of the civil service commission he is free to do so, though I think it would be regrettable. The hon. member for St. Denis complains because we dismissed a postmaster for signing the nomination papers of a provincial candidate. Well, everyone of us knows that the signing of nomination papers very definitely places you on one side of the political fence as one of that man's supporters. We are not prepared in the department for that to be done.

The hon. member for Timiskaming in this same patronage field got himself into a long and involved discussion concerning a post office in Haileybury. I myself tried to find the newspaper account in the Toronto *Telegram* of March 14 which was supposed to report this incident. I went through every edition of the *Telegram* of that date, and the report is not there, Mr. Chairman. I looked at the *Northern News*, which he also purported to quote from, and I could not find

it there although I admit there were two pages torn out of that newspaper. Certainly it is not on record in the library. I finally sent my secretary to see the hon. member for Timiskaming but he could not produce any clippings either.

Actually I have nothing to say about the subject, except that it does not seem to have any foundation whatsoever. That is the sort of case that is supposed to have been made against us, and against me personally, contending that patronage is being practised in this department. In the Post Office Department we make something approaching 1,000 appointments every year, 850 of them, give or take a few, being made on my own authority as Postmaster General. Those who carp about patronage machinations on our part can only come into this house with about three or four trumped up incidents, every one of which can be immediately thrown out as having no effect. That is all I have to say about that subject.

Mr. Richard (Ottawa East): I am not going to follow up, because I am not an expert—

The Chairman: I believe the minister only yielded the floor, and unless the hon. member is rising to put a question he is out of order.

Mr. Hamilton (Notre Dame de Grace): The hon. member is not going to follow up at this time, Mr. Chairman, because I am going to continue with a few remarks.

Mr. Richard (Ottawa East): I thought you had concluded your remarks.

Mr. Hamilton (Notre Dame de Grace): No.

Mr. Richard (Ottawa East): Because you spoke so loudly I thought you had finished.

Mr. Hamilton (Notre Dame de Grace): The hon. member looked at me with his eyes and jumped up with his mouth.

I have dealt as briefly as I could with the general comments which seemed to permeate the debate, as well as a few specific items. The hon. member for Burnaby-Coquitlam and the hon. member for Middlesex East urged that the regulation in respect of letter carrier service be reduced from 2,500 to some lower figure. It is difficult to assess the exact result in a case like that, but I would suggest—

Mr. Thomas: I rise on a question of privilege. The minister said the hon. member from Middlesex East. I think he meant the member for Middlesex West.

Mr. Hamilton (Notre Dame de Grace): Middlesex West is right. We have a hurried estimate in this regard, and have arrived at the conclusion that if we dropped our limit to 2,000 we would incorporate probably 30 to 35 communities. The cost involved there alone would be somewhere between $1 million and $1,500,000. We are not discarding the idea by any manner of means, but when an expenditure of that volume is in prospect I feel it is certainly something deserving further consideration.

The hon. member for Burnaby-Coquitlam seemed to feel that small post offices were being eliminated in order to enlarge metropolitan post offices. This is not done as a matter of policy or choice. It does happen on occasion, when it must be done in the interests of efficient mail service. He criticized the Vancouver tunnel, a favourite subject of his. It was built under the preceding administration. It is not as effective as it was hoped it would be, but it is still a project which will bring savings, paying for its cost in about 20 years, so the presumptions he made in that regard were quite wrong.

The hon. member had much to say about Pitney-Bowes of Canada Limited. I can briefly say that it is not the only company in Canada in the postal meter machine business. There are a number of other machines in operation; Commercial Controls Canada Limited have one, the Friden Calculating Machine Company have another. There is another one called Postalia, and one called Neo-Post. This is not a monopoly field. In so far as we are concerned we rent certain equipment from this company merely because we feel it is cheaper from our point of view than to purchase them.

The hon. member for Port Arthur referred to second class mail rates. There is not much for debate in this regard until we are in possession of the O'Leary commission report. The fact remains, however, that the attitude not only of this government but of the preceding government in regard to second class rates has been that they are a concession designed to encourage the circulation of reading material which otherwise might not be circulated, and to that extent we can see value here. In answering another suggestion of his, I might say there is no doubt the post office has made progress as a result of decentralization.

In respect of progress, I would like to express my own personal appreciation to the president of the Canadian postmasters association who, when he introduced me last night, made the following statement, and I am reading from today's *Journal*. He is reported as saying:

> —Mr. Hamilton had done more for his department than any of his predecessors.

I appreciate that remark and commend it to the attention of the hon. member for St. Denis.

The hon. member for Port Arthur suggested that we stop the passage of newspapers carrying football pool results because there is some connection, at least in his mind, between these football pool results in newspapers and the prohibition against playing the football pools. If we stopped every newspaper that carried news of anything illegal very few newspapers in Canada would move at all.

Mr. Fisher: May I ask the minister a question. Has the minister checked as to whether those are advertisements in the newspapers in relation to illegal matters or whether they are published as news? I agree with him if they are published as news, but if they are advertisements, surely they represent an encouragement to an illegal enterprise.

Mr. Hamilton (Notre Dame de Grace): I will deal with that question later if the hon. member wishes. However, our view is that we cannot check individual advertisements in newspapers. We are not censors; that is the point I am making in this connection.

Finally the member for Port Arthur referred to the advertising of a certain type of commodity. This, of course, relates, as does everything we do, to whether it is legal or illegal in the eyes of the law. In this particular case the actions of one of the companies are under judicial review at the moment, and I think I would be getting into dangerous territory if I discussed this subject now.

The hon. member for Edmonton West urged that some consideration be given to providing carrier service in new subdivisions. I can only say to him that I feel we have gone a long way in this direction in recent years. We no longer require that there be sidewalks as such, but require only satisfactory walking conditions on a year-round basis. We do not even require that the streets be paved.

The hon. member for Kootenay West asks for assurance that there is no overlapping or duplication between the engineering and development branches of the Post Office Department and the Department of Public Works. I certainly can give him that assurance without hesitation. That hon. member raised a number of other questions which I will deal with perhaps in correspondence, because I feel they are detailed and of interest primarily to him.

The hon. member for Trinity-Conception was worried about wages paid in St. John's, Newfoundland, at Christmas time. Perhaps the most satisfactory answer is that the dollar that was paid there is exactly the same dollar rate which was paid for similar work in other post offices in Canada. We treat our employees in St. John's on the same basis as we treat employees in any other area. Because I have great love for the hon. member for Trinity-Conception I treat him sometimes a little better than others.

The hon. member for Timiskaming inquired about examinations for grade III individuals in our district offices. Perhaps the short answer to that question is there are no examinations for grade III individuals in district offices. Those of our employees who do have to take examinations in regard to their distribution knowledge must procure their own equipment. This equipment is not particularly costly, but the introduction of it for our employees in Canada would cost something over $50,000. We have not discarded that idea entirely; as a matter of fact we have it under review at the present time.

The hon. member also asked about our intentions with respect to highway post offices. We have no expectation at the moment of entering into the field of highway post offices. There are two reasons for this. First, we find that our existing system of highway services using trucks on which the mail is carried but not sorted is eminently successful. Second, we have noticed with great interest that the United States, which entered this field on a fairly extensive basis, is now in the process of drawing back and eliminating a great many of its highway post offices. In addition, to the best of our knowledge they have no plans for the building of any new vehicles or anything of that kind.

The hon. member asked about the reduction in railway post offices, those that travel along the rails. I remind him that we do not eliminate railway post offices by choice. We have been forced into it by the advent of the rail diesel car and changed services of the railways which leave us no other course. As of the 31st of March in each of the following years, the number of railway post offices in operation was as follows: in 1957, 126; in 1958, 108; in 1959, 96; in 1960, 78 and in 1961, 65. It seems to be bottoming out somewhat but generally speaking we have no other choice in this field when the railways reduce their services.

The Chairman: I am sorry to interrupt the minister but his time has expired. Is it agreed that he may carry on?

Some hon. Members: Agreed.

Mr. Hamilton (Notre Dame de Grace): I will only be about two minutes more and I am grateful to hon. members for their consideration. The hon. member for Westmorland referred to letter carrier service. When we introduce letter carrier service and make it available to a community we require that at least 80 per cent of the houses be equipped

with mail boxes, numbers on the front doors and so on. He suggested that the requirement be reduced to 65 per cent. When I came into the picture the requirement was actually 90 per cent and the point he raised applied then. A small portion of a community could deprive the entire community of letter carrier service, but 80 per cent seems to be about right. In most cases we can get the service into operation within a few weeks of its announcement. If we drop below that percentage very much, say to 65 per cent as he suggested, we are going to have the letter carrier bringing back to the post office about 35 per cent of the mail he takes out. This, of course, is not a satisfactory situation.

Many other points were raised which in almost every case involved details. If it is agreeable, I should like to follow the practice of previous years, one which I introduced, of giving the member concerned a lot of information in the form of a letter directly to the member. Otherwise we could take more time in the committee than hon. members would perhaps like to see taken on these matters. On the other hand, if a member wants to pursue on the floor of the house any particular matter that is of interest to him, I am ready, the officials are in the gallery, and we will certainly do everything we possibly can to try to assist hon. members.

Mr. Richard (Ottawa East): Mr. Chairman, my remarks will be brief. A while ago I heard the minister state how concerned he was about the welfare of the employees in the post offices and I should like to deal with one matter relating to the Ottawa post office. As the minister knows, in other large cities such as Montreal, Toronto and Vancouver the senior employees work the day shifts and those junior to them work the evening and night shifts. The employees of the Ottawa post office have voted three times on this matter. The votes were not suggested by the employees themselves but were requested by the department. The circular relating to the matter says that the decision is to be based on the preference of the majority of the employees.

As I stated, there have been three votes in Ottawa in favour of the senior men having the day shift and the juniors the evening and night shifts just as is the case in all other large cities. For some reason or other, however, the department has refused to abide by the decision. I think this is rather unfair, and the reasons invoked by the department are not very good. Some suggestion was made that everybody did not vote. I suppose it is questionable whether some of us would be sitting in this chamber if everybody in our ridings voted.

In the last vote held I believe that some of the employees were reluctant to vote because there was a number at the top of each ballot and they thought this had something to do with identifying them and how they would vote. In any event, a large number of the employees voted in favour of the junior men taking the night shifts and the senior men the day shift. As the minister suggested, the heavier and harder work is done at night. In any event, I think it is only fair that the same treatment should be accorded to employees in Ottawa as to employees in Montreal, Vancouver, Winnipeg and other places. I simply bring this matter to the attention of the minister in a nice way. I am not criticizing anybody. I think there is an oversight somewhere. It may be that the matter is being held up by a supervisor or a few employees who do not like the system but I think the majority should rule.

Mr. Hamilton (Notre Dame de Grace): I quite agree with the hon. member and I will first look into the matter myself. As I am in Ottawa I can do that. We will see what the situation is and if we can meet the wishes of the employees in matters like this and there are no good reasons for not doing so we will certainly do so.

Mr. Peters: Mr. Chairman, I should like to advise the committee that I wrongly informed hon. members the other day, as found on page 3686 of *Hansard*, in relation to the examinations taken by clerks. I obtained my knowledge of the matter recently and I believe that the minister was not fair to those who are interested in this matter by making the references he did as he was probably well aware that I was referring to grade IV and not grade III clerks. Grade I, grade II and grade IV clerks take these examinations but grade III clerks do not. The remarks and suggestions I made at that time related to grade IV clerks.

I have since made inquiries and I find that these examinations are not nearly as simple a matter as might be thought at first. I talked to an employee the other day who told me that originally three or four hundred hours are involved in learning the procedure and therefore, particularly in the sorting section, this is not a simple examination. While it is true that it may take only 20 or 30 hours a year for a man to keep up to date, three or four hundred hours of work are involved in the first instance and the remuneration of $150 semi-annually is not a very large amount of money to compensate for the extra training they have to undergo.

I have already read to the committee an extract from the *Northern News* of March 14,

1961 and referred to certain letters that are applicable to the matter in question. The other day one hon. member asked me about this matter but unfortunately he is not here now. I told him that when I went home over the week end I would see the reporter. I said I had received telephone calls from Toronto because of the communication that had been sent to the *Telegram* by the staff reporter. I spoke to the editor of the *Telegram* and made known certain views that I hold with respect to this matter. I told the hon. member who asked me for confirmation of what I had said that I would see the reporter in question and would get a copy of the communication for his information.

I am not in any position to find anything in the *Telegram*. I seldom read that particular daily newspaper. I am told there are several editions of it published to cover various areas. I have been assured by the reporter from the Toronto *Telegram* that this item, at least in part, appeared in the newspaper that day.

May I say that I was surprised at the strength and vigour exhibited by the minister in pursuing this matter. I was surprised also at something else. I give him much less credit than I thought I would have to give him in respect of the question I asked him in relation to the establishment of post offices. I am still curious about this. Was I wrong in my supposition that before a post office is established experts are sent to assess the situation; that the Postmaster General receives briefs from various organizations demanding this type of service, either through an M.P. or some other means? Is it not true that the minister has these people who go to assess the situation from the point of view of the mailing facilities that are available and the financial arrangements that may be necessary before an office can be established? I feel it is more important to have a statement that this is the course followed than to have a strong disavowal that patronage is taking place. People are interested in learning just how to go about getting a post office. Many of them are of the opinion that patronage is the only method of obtaining this service.

I shall read the copy of the telegram.

Ontario Northland Communications Telegram

Haileybury (March 14, Ray De Souza)—A federal building for Haileybury? A department of public works or an unemployment insurance commission branch here?

These are the things which C. Foster Rice, Timiskaming's defeated Progressive Conservative candidate in the late federal election is willing to take up with Ottawa. However, he wants letters from the Haileybury chamber of commerce and town council to back him up on his trip to the capital.

Last night council unanimously approved a resolution calling on town clerk Frank Haskett to request Mr. Rice to pursue the matter of obtaining a federal building for Haileybury.

Councillor Mary Lavigne said the new building if erected here could house a post office and possibly a department of public works as well as a branch office of the unemployment insurance commission.

Mayor Arthur H. Cooke, councillor Ben Budgeon and Mr. Lavigne confirmed they had been advised by national P.C. organizer Grosart to deal with the federal government through the defeated Conservative candidate rather than through Arnold Peters, C.C.F. member of parliament for Timiskaming.

Councillor Ken Buffam thought Mr. Peters was due for some courtesy in the matter as a sitting member.

"It might be simpler to get in through the back door," Mr. Lavigne stated. "Mr. Peters handling the matter might do us more harm than good."

"Here we have a riding lost by 210 votes," the mayor commented. "All we have to do is what has been recommended."

Mr. Rice recently unsuccessfully sought action from government on waterfront improvements at Haileybury. Mr. Cooke said the government did nothing about the defeated P.C. candidate's request then.

Council did not authorize Mr. Haskett to forward a copy of the resolution to Mr. Peters.

I did not make my statement nearly as strong as this telegram because I was making it from reports that I had heard. However, I would ask, who is Mr. Grosart? What authority has he got to go around the country telling people to disregard the democratic processes that are involved in this matter? Is Mr. Grosart the man who runs the Post Office Department? I think we already have had the answer of the Postmaster General who has O.K.'d this post office. What we are asking now is, does he O.K. what Mr. Grosart says or does he O.K. the establishment of a post office because certain prerequisite conditions have been met?

I have no objection, Mr. Chairman, to Mr. Rice coming to Ottawa and asking for anything he can get for my constituency and his friends in that riding. We are both residents of that riding and we both want to get as much as possible for it. I have not really any objection to the town council doing what they wish. However, Mr. Chairman, the situation in the town of Haileybury is a disgrace. We are renting a post office in that town which I do not think is a credit to any town one quarter the size of Haileybury. The town of Haileybury is an up and coming community, and I believe it has a right to expect a much better post office than it has.

Let me relate what has happened with regard to the post office in Haileybury. A number of years ago the postmaster in that town was a gentleman by the name of Hamilton. When Mr. Hamilton died his estate took over the property that belonged to him, namely the post office. The Hamilton estate sold the post office to a Mr. Cooke who is

now the postmaster but he has no qualifications whatever for operating a post office. He has a staff of three who operate the office. I am told that Mr. Cooke has no formal training and does not have to take an examination before receiving an appointment as his employees do.

Mr. Cooke is also the mayor of the town. It is not surprising to me that Mr. Cooke has never written to me, as his federal member of parliament, on behalf of the council requesting a new post office because if the town of Haileybury gets a new post office he probably will not be the postmaster. He will be no longer renting the building to the postal department, a fact which gives him the opportunity of being the postmaster. I do not want it to be said that I am opposed to Mr. Cooke himself, and I can see that this type of arrangement has some advantages to it. However, I do not believe it is an arrangement that should be perpetuated.

I have in my hand a copy of a civil service circular which gives notice that a postmaster is required at Elk Lake, Ontario. Under the heading "Qualifications", there is a note to the effect that the postmaster will be required to provide the necessary postal premises. Second, the successful candidate will not be required to give his constant attention to the duties of the position. Unlike the situation to which the Postmaster General referred a few minutes ago, this job will allow him to operate his bakery on almost a full-time basis and he will also be able to operate the post office. The Postmaster General does not need to worry because there is not a bakery that large in the town of Elk Lake. However, we seem to be perpetuating a situation that is causing a great deal of difficulty in the Haileybury area.

I think one of the problems that may be involved here may be the fact that the citizens themselves have been so badly misinformed in the past by the politicians. Certainly, they are being misinformed by Mr. Grosart at the present time. In my opinion, Mr. Grosart should not be in a position to speak for the Postmaster General and make this kind of commitment. Misinformation is going out to the effect that post offices are obtained by means of political patronage. I think I agree with the Postmaster General, and I hope this is his opinion, that post offices are not obtained in this manner. Certain conditions have to be met, and political considerations are not a factor. If this is not true, then this civil service circular to which I have referred should not be sent out by the civil service commission but should be sent out by the defeated candidate. The defeated candidate would be able to appoint the postmaster in this particular town.

I have no reason not to believe that political patronage, in that old fashioned sense, is gone from these appointments. I think this sort of thing is a disservice when we put a man in as head of a municipality. Here are three councillors and the reeve of the municipality who have met with the national organizer of the Conservative party and have been told these things. They obviously are going to take his word because he is from out of town. He also gave them, I am sure, certain assurances. They are going to take his word and this is the word that is going to be distributed and disseminated throughout the area, namely that these things are accomplished in this manner.

I raise this matter only because it seems to me that in this regard democracy can be ill served and that the ends of justice that are inherent in democracy cannot be served if this type of talk is not stopped, and it is not patronage; it is only talk. If this kind of suggestion is not removed from our political scene, then if we look the other way and do not mention it, we are doing a disservice to the cause of democracy that is almost as great as the disservice done by these people that are promising it.

I should like the Postmaster General to rise in his place and indicate just what method will have to be followed in the case of Haileybury if they are going to receive favourable consideration in respect of a post office in that town.

Mr. Hamilton (Notre Dame de Grace): May I answer the hon. member very briefly. I say first that any suggestion that Mr. Grosart or anyone influences the department in its decisions is completely unfounded. Certainly if Haileybury or any other town feels that they would like a post office, let them write to the department and we shall be delighted to go into the matter with them. The probability is that in most cases, as many communities know to their satisfaction, before they get around to writing we will already be in there in co-operation with the Department of Public Works and building a post office.

Mr. Granger: I listened with great interest to the comments of the minister. I am sure he will bear with me if I mention two matters which really are not new to him but which cause some of us a good deal of concern. One is the matter of salaries paid to postmasters and postmistresses in some of the small communities in Newfoundland. I am thinking of course, of the small communities in my own district of Grand Falls-White Bay-Labrador.

I readily agree that the revenue in these post offices is small and that if the salary is based upon the revenue, then the salary must of necessity be small. I think, however,

that below a certain sum salaries should cease to be the yardstick and that service should then be the means of measuring remuneration. Postmasters and postmistresses are necessary even in small places. The work takes a considerable portion of their time. It demands their presence in the post office. It means they must find a place to operate the post office business. If they are carrying out an essential service and if the revenue from that service is small, certainly it would be a great mistake to take the sum of that small revenue and use it as a basis for salary. As I said, below a certain level, service should be taken as a yardstick for payment rather than revenue. In other words what I am pleading for is a minimum wage for postmasters and postmistresses.

The other point I wish to make is in connection with mail service in northern Newfoundland in what I might generally refer to as the St. Anthony area. During the winter the service is faster than it is in summer because the air mail service is satisfactory and gives a much more regular and rapid service than that which is given in the summer time when the mail is carried by ship. During the season—shall I say the shipping season—when the post offices are served by the coastal steamers, mail deliveries are infrequent. I am told that it is not unusual for a period of two weeks to elapse between the time a letter is mailed and the time it is received. I refer to a letter, say, from the mainland. It would not take very long to get from here to Newfoundland by air but the time is used up by the slow steamship service.

This is a matter which I have brought to the attention of the minister and I agree with him that an air mail service all the year around is expensive. What I wanted to suggest now is that he might consider a limited air mail service during the summer months for first class mail only with a limited number of flights. I am sure that this procedure would improve the service. It could be the case that the cost may be out of proportion to the service rendered, but such a service is really necessary. I should like the minister to give this matter consideration, and I will limit my request to the possibility of a limited service confined to first class mail by air in the northern communities of Newfoundland.

In conclusion I should like to thank the minister for his program of sending mail by road and, wherever possible, with greater frequency or more mails per week. I know that in a number of places which ask that services be increased from one mail to two or three mails per week, it has been done. In thanking the minister I would express the hope that he will continue to pursue that program and enlarge it.

Mr. McCleave: Very briefly, Mr. Chairman, I should like to mention something that the minister could perhaps mull over for the next two years and give an answer say in 1963. With the approach of confederation centennial ceremonies in 1967, it strikes me from perhaps a limited study, that there is only one real opportunity available to commemorate higher education in this country during that time. The year 1964 will be the 175th anniversary of the founding of the oldest university in the commonwealth. I refer to the University of King's College in Halifax. While 175 may not be as convenient an anniversary as say 200 or even 100, nevertheless I think it would be most fitting if the Postmaster General could at least consider the suggestion that one of his excellently designed fine stamps be issued to pay homage to higher education in this country. I therefore turn his thoughts to a fine ancient and honoured institution in my own riding of Halifax.

Mr. Carter: The Postmaster General did not reply to some of the questions I asked the other day. They were not personal questions. I thought they were questions of general interest and I am going to repeat them. But before I do so I want to reply to some of the things the minister said this afternoon in replying to criticisms that have been made of his estimates.

The Postmaster General said that one of the chief criticisms that had been levelled at him was for having pride in his department. I do not think anybody would criticize the minister for being proud of his department. We all pay tribute to the staff of the post office and their dedication to their various duties.

I think most hon. members criticize the fact that the Postmaster General perhaps seemed inclined to take a little too much credit unto himself rather than give it to the staff of the post office. As I listened to his performance I thought he was inclined to be a little truculent and at times was perhaps talking with his tongue a little bit in his cheek.

We do not take exception to that. I think this helps to liven our procedure. However, I do not think the Postmaster General should take too much exception to that kind of criticism. We want to assure the Postmaster General that we are all proud of the post office. We are all proud of his staff and their achievements. However, we do not want

the Postmaster General to create the impression that the post office came into existence when he took over two or three years ago.

Mr. Deschatelets: That is very good.

Mr. Carter: I think that is implied in some of the remarks made by the Postmaster General in reply to the statements of the hon. member for St. Denis. He labelled the hon. member for St. Denis and the Liberal party with being against progress. He said we are the people who want to go back to the system of delivering mail on foot and manually cancelling the stamps one at a time, and all these other crazy things.

Mr. Hamilton (Notre Dame de Grace): That is what the hon. member said.

Mr. Carter: The Postmaster General represents a party that has entered the electronic age and gone up into outer space along with the Russian astronaut. However, mechanization did not begin with this Postmaster General coming into office. It did not begin with the Tory party. It has been going on in the post office, as a gradual development, ever since the post office was created.

Progress was made under the Liberal regime and I am glad to see it being continued. However, we do not want the Postmaster General to try and create the impression in the country and in this house that there was no progress under the Liberal party and the only progress has taken place during the past two or three years while he has been administering the Post Office Department.

If the Postmaster General had listened to his remarks today as I was listening to them he would have received exactly the same impression as I, that here again he was not being completely non-partisan in the way he was replying to our criticisms.

We can tolerate a little political give and take on this matter, but the Postmaster General must realize there is a limit to it. I think if he will take the trouble tomorrow to read what appears in *Hansard*—although in cold print it will be very different from the way it appeared when we listened to the spoken word—he will get the impression that he was guilty of the very exaggerations and excesses for which he criticized the hon. member for St. Denis in his speech the other day. In that respect the Postmaster General is perhaps the pot calling the kettle black.

Mr. Hamilton (Notre Dame de Grace): We are making progress. Which is the hon. member for St. Denis, the pot or the kettle?

Mr. Carter: I asked the Postmaster General two or three questions and he did not bother to reply. Perhaps he thought they were not important enough. They were not questions which applied specifically to my own riding; they were general questions which I thought would be of interest to the public at large.

One of those questions was: which was the most profitable to the post office from the standpoint of net revenue, the selling of postage stamps or the use of postage meters? I think that is a general question, because from the report we received it appears that the revenue from postal meters is increasing at such a rate that it is perhaps equal to, or even in excess of the revenue from the sale of postage stamps. If there is more expense in—

Mr. Hamilton (Notre Dame de Grace): Let us stop this discussion. I will tell you right now. It is postal meters.

Mr. Carter: All right. I asked that question but the minister did not see fit to make any reference to it. I asked another question in connection with the list of special categories. There was quite an increase for transportation of mail by land, air and sea. My question in relation to this matter was: was this increase due to more contracts, or to contracts that had been renewed at higher rates? That was also a question of public interest.

I asked one question to which perhaps the minister might wish to give an individual reply, and I would not press him to answer it in this committee. I refer to the question I raised with regard to putting out a special stamp issue for Christmas. Many prominent people in my province are interested in this matter and I hope the Postmaster General will give it favourable consideration.

After we had a chance to read and study what the Postmaster General said when introducing his estimates we of course were in a better position to ask questions. I think the Postmaster General not only fired our imagination but aroused our curiosity when he told us about the advent of these electronic, automatic mail handling machines.

I should like to ask several questions in connection with this matter. The first one is this: how much money has the Post Office Department invested in the development of this kind of equipment? My second question is: assuming that the equipment passes the test and becomes available, under what conditions does it become available to the post office, and under what conditions will it be manufactured? I ask this question because one can readily understand that this is a very special type of equipment with a very limited market and it is quite possible that its manufacture and distribution could be

monopolized by a particular firm. I should like full details with respect to the whole procedure of developing and acquiring this kind of automatic, electronic equipment.

The Postmaster General told us the other day that 100,000 firms in Canada were now receiving twice a day delivery. That is fine. We hope it may be extended. However, I think most hon. members would like to have an answer to this question: on what basis are these 100,000 firms selected? Where does the Post Office Department draw the line between firms which rate two deliveries of mail a day and firms which rate only one delivery a day? These are all the points I wish to make at the present time, Mr. Chairman, but I will probably have other comments to make later on.

(Translation):

Mr. Deschatelets: Mr. Chairman, first of all I must tell the minister that the hon. member for St. Denis (Mr. Denis) could not be present this afternoon. He is the first to regret his absence, no doubt.

It is particularly unfortunate that the minister showed himself not only so cruel but so unfair toward the hon. member for St. Denis. Allow me to show at once in what way the minister was unfair in his remarks regarding the member for St. Denis. He said, in French and in English, that in the speech he made last week, the member for St. Denis stated the following:

I am all for progress, but I am against it—

And the minister suggested that the member for St. Denis would be the laughing stock of everybody for saying such a thing.

If we refer to page 3640 of *Hansard* for April 13, we note that the minister has been unfair to the member for St. Denis in that he did not quote the whole sentence. Here, in fact, is the textual quotation as it appears in *Hansard*:

I am all for progress, but I am against it when it is introduced at the expense of the human element, particularly in times of unemployment.

That is something else. I shall come back later to the matter of mechanization, but I fully endorse what the member for St. Denis had to say on this subject.

If the Postmaster General is so confident of the position he is taking in these difficult times to step up mechanization in the postal service to the extent of creating unemployment instead of providing jobs, as he should be doing with a greater volume of business, I am sure that on a matter of principle of such importance, at a time when the government, the first employer in the country, should be setting an example for private industry, the hon. member for St. Denis, myself, or any other member of the island of Montreal, would be delighted during the next election campaign, to meet the Postmaster General in the riding of his choice, and we shall then leave it to the voters to settle the matter.

Now, Mr. Chairman, the member for St. Denis is one of the most assiduous members in this house. I think he is celebrating this year the 25th anniversary of his election as a member, and since the second session of 1957 especially, he has shown a tremendous interest in the Post Office Department, never failing to raise matters of very great importance pertaining to that department. He has also made very interesting suggestions.

In my opinion, the speech delivered last week by the hon. member for St. Denis was remarkable; it was a speech that dismayed the Postmaster General, and the minister vainly tried today to minimize its impact.

Mr. Chairman, one may not particularly relish the sense of humour displayed by the hon. member for St. Denis when he is being critical, but if we had more members like him in this house, more members with the humour and the engaging personality of the hon. member for St. Denis, it would afford relief from the attitude of certain government members who, unfortunately, are always down in the mouth. I fail to see what the Postmaster General could gain for himself in trying to minimize a speech replete with figures and facts that are unquestioned.

Mr. Hamilton (Notre Dame de Grace): Erroneous.

Mr. Deschatelets: Mr. Chairman, the hon. member for St. Denis—

Mr. Hamilton (Notre Dame de Grace): He was wrong.

Mr. Deschatelets: —gave facts and figures, and I would greatly appreciate it if the minister replied to this after a while. If those figures and those facts were erroneous, why did not the minister stand up at the time and ask the hon. member what was the basis for those facts and figures? The hon. member for St. Denis would then have been very pleased to inform the minister who seems to be quite unaware of some of the things that happen in his department.

Mr. Hamilton (Notre Dame de Grace): I wanted to ask questions, but the hon. member for St. Denis asked me to wait till he was finished.

Mr. English: That is true.

Mr. Deschatelets: Mr. Chairman, the minister is right. I was in the house at the time,

but why did not the Postmaster General ask his questions after the member for St. Denis had concluded his remarks? I am sure the hon. member for St. Denis would have considered it a pleasure to reply.

Mr. Chairman, the Postmaster General seems to think we are all being rather hard on him. He has been asking for it. As I said one day, he who sows the wind shall reap the whirlwind. For two or three years, the Postmaster General promised two mail deliveries a day. He promised them even to his constituents in Notre Dame de Grace; yet, he said not a word about it in the statement he made in introducing his estimates. He said not a word about thefts. The member for St. Denis quoted figures which the minister should not be denying. I hope the minister will not force me to read those I have here. I can read them if he wants me to, but I am sure he will not deny them. Those figures show that in the last year, there have been more thefts than in 1957. I hope the minister will not deny this.

With regard to compensation claims for registered mail or insured parcels, the number of claims in 1956-57 was 11,800, as against 13,020 in 1959-60. I do not think the minister will deny these figures. How much money did such compensation claims involve? For 1956-57, $128,202; for 1959-60, $170,134. Some of the money has been recovered; in fact, an amount of $11,281 was recovered in 1956-57, and in 1959-60, the figure was $11,442. Where is the improvement there? These figures cannot be denied.

Mr. Chairman, I raised no objection when the minister told us a moment ago that the publication about which the hon. member for St. Denis raised such a fuss had been translated into French. I cannot say, I have never received it. The hon. member for St. Denis has not received it, nor have I, nor has the member for Papineau (Mr. Meunier). We did get the English version, and that is what the member for St. Denis stated.

With regard to patronage, here is the statement made by the hon. member for St. Denis as recorded on page 3640 of *Hansard* for April 13:

> I will mention two or three cases only, without going into all the details. If the minister wants more details, I am prepared to give them to him.

When did the minister accept the challenge? Never. I too, have dealt briefly with this matter of patronage.

From 1953 to 1957, how many casual employees were dismissed following the discovery that they were dependent either on their husband or on some other person? So we simply suggested, and again I submit this to the minister's attention, that in the case of casual employees or again in the case of the ladies in the flying squad, why not start by hiring those who are in greatest need? That is the point we have emphasized to the Postmaster General.

Mr. Chairman, turning to automation in the post office, I think the point we raised did some damage to the minister. I also think it really hurt the government, because the government and the minister are now finding that even if automation is desirable in some divisions of the post office, this is not the time to try to develop the most efficient machine in the world, a machine whose immediate effect would be to create unemployment.

We have repeated time and again that the government is the biggest employer and must set the example for industry. How often have we said to industrialists: Even if you have work for certain employees, you must support the employment campaign. Keep those men on the job, and in this way try to cut down a bit on the amount of hardship that is being felt today.

The government and the Postmaster General now feel that they made a mistake when they promoted this mechanization. Let us take the case, for instance, of the electronic sorting machine—and I hope the minister will have a word to say about that—how much money, so far, was spent on experimenting with this device? If the machine is finally put into service, as the minister hopes it will, we will see then that it will cause unemployment.

I will add this: in my remarks I said a few words about the usefulness of that machine, which has not yet been put into service. I told the Postmaster General that the machine, that electronic letter sorter, might not be used for more than 15 or 20 per cent of the letters being handled by the post offices.

Mr. Tremblay: What does he know about it?

Mr. Deschatelets: My hon. friend is asking what I know about it. Well, unlike the minister, I am stating a fact. The minister is here, and I am telling him, I am asking him—

Mr. Tremblay: This is an allegation; it is not a fact. It is a hypothesis.

Mr. Deschatelets: If my hon. friend wishes to make a speech, let him go ahead and do it. If he has comments to make for my benefit, I will yield him the floor then reply to him afterwards. However, I possibly have less patience than my hon. friend the member for Laurier (Mr. Chevrier), and I certainly do not like anyone who speaks in my back when I am up front.

Mr. Tremblay: Back or front, it is not—

Mr. Deschatelets: Mr. Chairman, if you would put a stop to this yapping of the member for Roberval, I would highly appreciate it.

Mr. Chairman, I do not intend to go any further for the time being. I think I have answered some of the minister's allegations, and I am genuinely sorry that his remarks were directed at the member for St. Denis (Mr. Denis) instead of dealing with the suggestions and constructive criticism the latter made.

Mr. Pigeon: Mr. Chairman, I should like to put a question to the member for Maisonneuve-Rosemont (Mr. Deschatelets), if he will permit.

The hon. member for Maisonneuve-Rosemont is against mechanization and improvement. Is he in favour of going back to the horse and buggy in the field of transportation?

Mr. Tremblay: He might suggest mechanizing the brain of the member for St. Denis.

Mr. Deschatelets: Mr. Chairman, I am very glad that the member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) has asked me this question. How many times will we have to explain the stand we have taken, so that the government members can clearly understand it?

Mr. Tremblay: Say that without laughing.

Mr. Deschatelets: We said we advocate mechanization in the postal services where mechanization can be useful, but we specified that, at this time, on account of unemployment, we have no money to spend on the development of electronic devices whose introduction would bring about more unemployment. Besides, I have challenged the minister on this question, and I hope he will take it up early enough for the next election.

Mr. Pigeon: I thank the hon. member.

(Text):

Mr. Herridge: Mr. Chairman, I would like to say that I listened with interest to the minister's comments with respect to the criticisms and favourable comments made by members of the opposition. I look forward to his answering one or two questions relating particularly to my constituency by mail, as he indicated he would. However, I rise at this time again because I wish to refer to the minister's positive assurance that the appointment at the Trail post office to which I referred earlier, was made by the civil service commission completely devoid of patronage. I have no knowledge of the circumstances, but when I returned to my constituency I was asked by a number of people to raise this question in the House of Commons. Those individuals are convinced that this was a patronage appointment because the person in question happens to be the wife of the former campaign manager of a defeated Conservative candidate. These individuals include supporters of all parties, and some are veterans. I assured them I would raise this question in this house. I want to be fair, as I always try to be, but I do want to get the facts so that I will be in a position to convey them to those individuals.

I would like the minister to inform me as to the number of applications that were made to the civil service commission in respect to this position; if the veterans' preference was applicable, and the names and marks received by these various applicants. I would also like to know whether any of those applicants were recommended by parties or organizations.

I ask for this information because when I returned to my home I found that this was a matter of current interest, and assured those interested I would raise the matter in the house and get the facts.

Mr. Hamilton (Notre Dame de Grace): Dealing with the last question first, I would say that according to our records the only female employee taken on since 1957, either as a full-time, part-time, or casual employee, is Mrs. Mary Margaret Bride. Perhaps that is the lady the hon. member is referring to.

Mr. Herridge: That is not the name given to me.

Mr. Hamilton (Notre Dame de Grace): She was employed on June 16, 1959 in a regular position of temporary postal clerk, II. She qualified by civil service commission examination for postal clerk, competition No. 57-V1059 and ranked third on the eligible list. This was a recent appointment from a civil service eligible list under which all aspects of the merit system were taken into consideration. This is all the information we have on the matter. Beyond that, it is a matter between the civil service commission and the hon. member, but I do point out to him this one fact.

We cannot exclude Conservative supporters from every position in the government service just because they happen to have supported this party at one time or another during our history and simply restrict our appointments to Liberals and C.C.F.'ers. As I understand it, that is the argument the hon. member has been making. He said that this was a terrible appointment because the lady happened to be a Conservative. I do not intend to see anyone in this country discriminated against in their desire to obtain employment from the government. Personally I am not going to discriminate against Liberals or socialists but I can assure the hon. member I am not going to discriminate against Conservatives either.

Mr. Herridge: In reply may I say that the minister knows that we in this group would not suggest that only supporters of certain parties should be appointed. We want all Canadians to have equal treatment regardless of their political affiliation and it is absurd to suggest that we would criticize the appointment of Conservatives. With regard to other appointments I might say that supporters of his own party have come to me about them. I think the minister does not have the full facts. The name given to me is a Mrs. George, not the name mentioned by the minister, and I understand it is quite a recent appointment.

The people who came to me were convinced that this was a patronage appointment. I do not think the minister has been kept up to date or I have been misinformed and I question that because of the number of people who have spoken to me about this matter. I would not want the minister to suggest for a minute that we would not agree to equal treatment for all persons no matter what party they support. I think the minister was rather twisting the facts when he said that. A Conservative has a right to live as much as a C.C.F.'er or anybody else.

Mr. Hamilton (Notre Dame de Grace): I will look into the matter. Now that the hon. member has given us a name after two days of discussion and two speeches we will be able to do something. We will be able to go into the matter further. We spent a great deal of time getting the information I have given merely because the hon. member did not give us the name. What I had in mind was the remark he made which I picked up. I believe it will appear in *Hansard* in almost these exact words, that this person was the wife of the campaign manager for the local Conservative candidate and therefore these people think this is a patronage appointment. As far as I can see, this is an argument that has no foundation whatsoever. What I understood the hon. member to say was that every time a Conservative is appointed it must be a patronage appointment and every time a Liberal or a C.C.F.'er is appointed it is white as the driven snow.

Mr. Herridge: That is nonsense.

Mr. Hamilton (Notre Dame de Grace): I think it is nonsense too—

Mr. Herridge: You are talking nonsense.

Mr. Hamilton (Notre Dame de Grace): —but that was the gist of the hon. member's remarks. To answer very briefly the questions which have been raised by the hon. member for Grand Falls-White Bay-Labrador, may I say that we will be glad to have a look at the possibility of air service in various parts of Newfoundland as suggested by him. I am not at all hopeful it can be brought about because of the economics of the situation but we always like to explore new ideas. The hon. member suggested that the minimum wages of postmasters should be increased. We are not paying our people to any great extent now on the basis of the revenue of the post office but rather on the volume of business that is done, both incoming and outgoing mail and many other factors. Where you have an office handling 10 or 15 letters a week and only three or four people patronizing the office, it is a little difficult to expect that the postmaster should be paid $3,000 or $4,000 a year, which is the logical outcome of some of the arguments advanced.

I have noticed that our revenue postmasters across the country, particularly in the lower brackets about which hon. members tend to complain most, now feel that their remuneration is consonant with the amount of work they do. Any criticism I have heard from people who know in detail what they are talking about because of personal experience has to do with other ranges of postmasters, not those in the lower brackets. We will be glad to consider the possibility of a stamp for King's college. We are always grateful for any suggestions.

The hon. member for Burin-Burgeo was after me again about my taking pride in the department. I know a lot about the department, and the more I know the prouder I am. Perhaps that is the difference between myself and the previous ministers who were not quite so closely in touch with the postal people across the country and were not quite so imbued with a spirit of pride in the department. I am sorry if the hon. member has misinterpreted the attitude I have taken but I am proud of what the department has done and I am going to go on saying so.

Mr. Martin (Essex East): A wonderful foundation was laid for the minister by the former minister.

Mr. Hamilton (Notre Dame de Grace): A foundation of sorts was laid and I think it does great credit to us that we have built such a marvellous superstructure without the building falling down because of the quality of the foundation. The hon. member complained that I had not answered all his questions so I will try to pick up one or two. He referred to the electronic machines. First of the electronic sorting machine developed we have paid a total of $3.8 million for our electronic sorting machines. We control the machine completely in every way, including the patents which go into it, and no one else determines how these machines can be manufactured, to whom they will be made available or any other consideration. I speak now of the electronic sorting machine developed by the Canadian Post Office Department.

We also have an informal understanding with the postal administrations of the United Kingdom and the United States whereby equipment they have or we have can be interchanged between the three of us. One experience we have had in that field has to do with the equipment that is going into the Winnipeg office early next year for segregating and cancelling purposes. It was purchased from a private organization in the United Kingdom and in addition to the actual price of the machine there is a small royalty which is designed to recompense the United Kingdom for some of their development costs. Basically, postal equipment is available under agreement between the three countries, which makes it possible for any one country to get at it without anyone profiteering.

The hon. member asked about the requirements for two deliveries a day. I think the easiest way to deal with this is to say we have four classes of letter carrier walks. First, there is the residential class which comprises those with less than 25 per cent business calls. In this instance we give one delivery a day to all calls. Second, there are mixed walks, those with 25 per cent to 50 per cent business calls, with regard to which we give twice a day delivery to the businesses and once a day to the residences. Third, there are the business walks, those with over 50 per cent business calls. In this case we give two deliveries per day to businesses—sometimes more if the volume of mail warrants it—and once a day delivery to residences. Then, we have, finally, the residential-business type of walk which we develop when it is in the interests of improved postal service to business. With this multiple delivery walk we are able to serve businesses twice a day and residences once. I think that perhaps answers this question.

The hon. member for Maisonneuve-Rosemont made some interesting observations on my earlier speech. I am not going to debate the details with him. We are planning ahead. We are not in the process—this is a criticism which can justly be made of the introduction of automation—of jamming in machines and equipment at a great rate without consideration for the interests and needs or the permanency of the jobs of our employees. We do not take the view expressed by the hon. member for St. Denis, however, that we must not think about progress in automation so long as there is any question of unemployment. Over the last year our actual employment in the post office has increased by something over 700 people. I have no doubt it will increase, year by year, because of the tremendous increase in the volume of mail.

If we are going to give the service we want to give, we will have to introduce mechanization and automation. My own, personal view which I expressed some time ago—it looks as though we will not be too far away from it—is that it will take about five years to develop our equipment and machines, the really complicated part of them, to the point where the machine is ready to go into a post office on a day to day basis. Then, I believe it will take us about another five years to introduce the machine into those offices across the country which can handle it without any dislocation of staff.

I should like the hon. member to remember that we have a turnover in the Post Office Department. It is regrettable, but people reach retirement or they decide to go to other work. Sometimes they even die. This represents, speaking from memory, about 7 to 12 per cent of our staff. There is an opportunity here to install automation, equipment and machinery, without replacing all the people who drop out of the service. I can say to the hon. member that beyond any shadow of a doubt, so long as I am Postmaster General there is going to be no permanent postal employee who is going to be discharged or released because of the advent of machinery, automation or advanced methods. There is ample opportunity to do the things we want to do without that sort of thing.

(Translation):

Mr. Meunier: Mr. Chairman, I would not like to repeat what the previous speakers said. However, I should like to make a few remarks to the Postmaster General (Mr. Hamilton). As we know, the minister is very strict, both for himself and for others. This afternoon, he tried to belittle the hon. member for St. Denis (Mr. Denis) in saying that the latter made a humorous speech, implying that he was perhaps irresponsible.

I must say to the Postmaster General that the hon. member for St. Denis made very timely remarks in his speech.

He was severe, as the Postmaster General used to be when he was sitting on this side of the house and criticized his opponents.

The hon. member for St. Denis has an innate sense of humour. We cannot, like the Postmaster General, be at the same time serene and always gloomy. I do hope the Postmaster General will not be too severe on his opponents. Let him judge them as they are, and let him also appraise their remarks and arguments.

The Postmaster General has attributed to the hon. member for St. Denis remarks which would imply that he is against automation.

I would point out to the Postmaster General that, as recorded on page 3639 of the English version of *Hansard*, of April 13, the hon. member did not say he was opposed to automation. He said:

> As far as the special training which our citizens should have in order to face the automation era, if our workers are not ready to use automatic machines, it is up to the minister not to step up automation excessively.

Later, the hon. member for St. Denis stated:

> I simply suggest that he wait until the number of unemployed in this country regresses before he replaces people by machines in the Post Office Department.

We know, Mr. Chairman, that those machines are still at the experimental stage.

What the hon. member for St. Denis meant was that no costly experiments should be undertaken at a time when our chief concern should be to provide jobs.

There are some points which the Postmaster General did not touch. I submit that, when he was sitting on this side of the house, each time a theft was committed in a post office he used to ask questions. Two days later, he was still asking who the thieves were. To hear him talk, you would have thought that the minister himself was responsible for those thefts and was not doing all he could to find out who the thieves were.

I would not want to blame the Postmaster General or his officials for all the thefts that are being committed. But, I would point out that human nature does not change, that perfection is not of this world, that thieves are not easy to track down and that the personnel must not be blamed for unsolved thefts, especially when the officials have done all they could to solve them.

I would not like to be as strict with the Postmaster General as he himself used to be when he was sitting on this side of the house, but I am glad to note that he knows now that he has to take into account the human factor in everything, and that it is not possible to solve all problems, any more than all thefts can be solved.

There is a point that none of my colleagues touched upon but about which the postmaster would wax eloquent when he used to sit on this side of the house, namely the post office savings bank operations. At that time, the Postmaster General would tell us that these operations were detrimental to chartered banks; that they were useless since anyone could do business with the nearby chartered bank. I now find that, since 1957, the number of depositors has increased. Therefore I should like the minister to tell us what he intends to do about the savings bank. Does he now consider it worth while or does he still cling to his previous opinions?

Those are the only remarks I wanted to make, Mr. Chairman. I hope that if the Postmaster General, who is a decent sort, is to leave us soon, as was intimated by the hon. member for Port Arthur (Mr. Fisher), he will get along well with the member for St. Denis who, by then, will hold important office in the government.

(Text):

Mr. Hamilton (Notre Dame de Grace): I should like to answer the one principal question posed by the hon. member, Mr. Chairman. At the moment we are having a good look at the post office savings bank to see whether there might be changes necessary in the areas in which it operates or, in some respects, extensions and, in other respects, a pulling back in order to make it a better operation so far as the government is concerned. However, I still have my own reservations which I expressed previously. The post office savings bank as it was constituted originally has fulfilled the exact purpose for which it was originally intended.

Mr. Crouse: In rising to speak briefly on the estimates of the Post Office Department I should like to commend the minister for his forward-looking program in providing and building new post offices throughout Canada. Since assuming his portfolio in 1957, great progress has been made in developing these new facilities and this program has met, I am sure, with the genuine approval of all Canadians. Certainly the citizens in my riding have been most appreciative of the new buildings that have been provided.

In commending the minister on this forward-looking program there is one thought I should like to advance for his consideration. At the present time, with more and more of our citizens being desirous of moving from the heavily populated cities and towns to the country areas, there is a distinct trend towards developing rural areas. This trend will naturally throw a heavier burden on rural post offices and will certainly constantly increase the additional burdens that are placed on existing rural routes. With this thought in mind I would suggest to the minister that his department give more thought to providing a larger sorting area in the many new post offices that are under construction or at least to having the buildings designed in a manner that will enable them to be more readily enlarged. Under the forward-looking policies of the present Conservative government we know that Canada cannot help developing. I hope the minister will give this proposal consideration for the benefit of present and future Canadians.

Mr. Carter: May I ask the Postmaster General to clarify one point with regard to the electronic equipment. The Postmaster General said that the post office controlled the patents and the manufacturing of this equipment. Does that mean that the post office has contracts with certain companies to manufacture this equipment? Does the post office now have contracts for making component parts of this equipment and assembling it or is that being done in the post office itself?

Mr. Hamilton (Notre Dame de Grace): The hon. member is speaking of only one machine, namely, the pilot model. The short answer is that in the development stage, which is the stage in which we are at the present time, in this case we brought it up to a certain point of development in our own department. We then entered into a contract with Canadair for further work on this machine. I refer to that one single machine. As I stated earlier, we are now coming to the end of that contract. We have obtained the information we want as to the operating capacity of the machine and we are going to review our position. But certainly at the moment we have no commitments of any substantial nature with any company. However, I also say that if the equipment is manufactured, it is certainly going to be manufactured by private industry and not in the Post Office Department.

Mr. Pitman: I should like to ask one or two questions of the Postmaster General. There is very little one can say about this department. I am sure the Postmaster General will recall that the new facilities at Peterborough achieved a considerable amount of notoriety when the Postmaster General was on this side of the chamber. It arose from the fact that television cameras were being used to check on those who were committing misdemeanors in the post office. I rather had the impression that this was almost the beginning of the Conservative desire for a bill of rights.

This matter achieved a tremendous amount of publicity across Canada. During the consideration of the next estimates in 1958, the minister indicated that this was not a very satisfactory operation. I am sure that the employees certainly welcomed that remark which was made in 1958. I should like to know exactly how much more this device has been used since that time, whether its use has been extended to other post offices or whether there has been a general feeling on the part of the post office that this is not a way in which the human dignity of postal employees can be best guarded.

I was particularly interested in what the Postmaster General had to say with regard to pay increases that have been taking place within the Post Office Department. My main complaint would be not so much with regard to what has been taking place within the department as with regard to contracts that have been let under the Postmaster General's department. I realize that this is not entirely his responsibility but that it is also the responsibility of his colleague the Minister of Labour. However, stage services have been set up in various parts of Canada. In one particular stage service about which I made some inquiries the employees were being exploited, to say the least. In this particular case a man was working as many as six days a week, sometimes from 8 a.m. to 6 p.m. Not throughout the entire period but for some of the time he was working a total of 28 hours a week for $15.

The computation of this $15 was rather interesting. The individual was on unemployment insurance and his pay was related to what he could make, being half of what he could qualify for as a result of the fact that he was getting unemployment insurance. I think this is an unfortunate aspect to the contract. I realize that contractors are paid only what it is reasonable to pay drivers of trucks of equal size in the area. I think this is something that needs to be the subject of more regulation. I am sure the Postmaster General will take into account the possible disadvantage that accrues to a person who becomes associated with the Post Office Department in connection with the stage services.

I was also rather shocked by a letter I received to the effect that a person who had

a village post office received a net income of only $82 a month. He had painted and decorated his post office and so on. I think the Postmaster General might be willing to agree that this income is too low. I hope that the pay increase which he has announced will be extended and that there will be some definite attempt to bring the level of pay up to something which would be commensurate with the services being rendered and the responsibility which is being undertaken by the rural postmasters in this country. I would appreciate it if the Postmaster General could make some comments on these remarks.

Mr. Hamilton (Notre Dame de Grace): First, as to the television cameras in Peterborough, may I say that our general opinion remains the same. We tested them out there. We found that they were not particularly satisfactory. To the best of my knowledge, there are no plans to introduce them further.

As far as tenders are concerned and stage services or rural route services and things of that kind, may I say that we are bound by a definite act of parliament which requires us to accept the lowest satisfactory tender; and "satisfactory" means or merely infers that the man has the necessary equipment and gets a driver's license.

An hon. Member: And he must be sober.

Mr. Hamilton (Notre Dame de Grace): Somebody points out that he must also be a sober individual. That is a requirement. In our main services, such as the city services, we do require wages to be paid at the going rate for that type of work in the area.

When you get down into rural routes and stage services, which are really just another variety of a rural route, you find that many of them are carried on by the individuals who perhaps combine the rural route with something else at the same time. I think anything which required a stipulated wage in that field would work to the detriment of most of the tenderers on the rural routes. Therefore there is no wage stipulation in those contracts.

However, certainly wherever a contract is such that we expect people will be employed in in order to carry it out, we have a clause in the contract requiring the payment of the going wage for that area. I think that answers the two points raised by the hon. member for Peterborough.

Mr. Fisher: Mr. Chairman, I should like to preface my few remarks with a little "thank you" to the hon. member for Essex East for doing a little touting for me in the job stakes. I think I can locate a job all right; I do not think it will be too difficult, even if it is not in the government service.

Mr. Hamilton (Notre Dame de Grace): If you talk much more we really will think you are touting for the job.

Mr. Fisher: I should tell the hon. member for Essex East that I have been touting him for a job in politics and meeting with a great deal of response across the country. Very many people feel there is a higher post he can hold within his own party.

Mr. Hamilton (Notre Dame de Grace): Douglas, Argue and Martin; now we have three in the race.

Mr. Fisher: I should like to ask the Postmaster General some questions. He said this is not the time or place for a debate on second class mail rates. However, he did seem to acknowledge that there is a definite subsidy in this area, or that at least in the operations of the Post Office Department one could find the fact that one side of the operations must be subsidizing another side of the operations in terms of costs.

I think we deserve a statement of the government's position in this particular field. I do not think the Postmaster General's reply of March 15, so far as the United States arrangements are concerned, is quite good enough. I understand that the world postal union has planned a meeting for next year in which this whole problem will be dealt with.

I think we merit a statement from the government before the end of the session, after the royal commission report is available, on this whole question of second class mail, particularly in relation to subsidies.

I raised this question a year ago and made some remarks about the Toronto *Globe and Mail*. By going through a certain reference book one can discover what portion of a newspaper's circulation goes out by mail. According to the figure at which I arrived the Toronto *Globe and Mail* had the highest mail circulation in Canada. I therefore inferred that if there is a subsidy in this field, the *Globe and Mail* is perhaps making more out of it than any other newspaper.

I had conversations later with executives of the *Globe and Mail* and heard their side of this particular argument. They argued that they and most newspapers with big circulations are trying to get out of the mail circulation field as much as possible. However, they did not deny that there is a subsidy here. Their reason for getting out of this particular field was just the matter of handling involved within their own organization.

This question of increases in postal rates for mailed newspapers is something the United States has considered. I have here an article in the *Editor and Publisher* for April 15, 1961. I should like to draw to the minister's attention the fact that in the United States there has been a marked drop in daily newspaper circulation through the mail. It is now only about 8 per cent. I should like to know from the minister what is the percentage in Canada.

Mr. Hamilton (Notre Dame de Grace): Would you repeat your question.

Mr. Fisher: In the United States only 8 per cent of daily newspaper circulation now goes through the mail. I should like to know what is the figure in Canada. I ask that question for this reason. This article goes on to say:

> ANPA general manager Stanford Smith said: "Diversion of big city newspapers away from the mails is further substantiated by post office department cost ascertainment reports for the past five fiscal years which show heavy declines in the weight of daily newspapers in second class mail and less revenue for the post office in spite of postal rate increases."

I should like to know from the minister whether this particular point has been considered. The United States postal department has increased the rates on second class mail, especially those affecting newspapers. Why has the Postmaster General's department decided not to do this? Is it because of the principle that they and the previous government have acknowledged, that it is the one way of ensuring the circulation of a certain kind of information? If this is so, I think the Postmaster General should answer my question concerning agricultural publications and small daily newspapers.

I go back to the point I raised the other day. Surely Roy Thomson does not need any kind of subsidy. Surely the McConnells do not need any kind of subsidy. Perhaps it is not a subsidy. Perhaps they could not put out these farming periodicals otherwise. But surely the department should have some kind of appreciation of the situation from a financial point of view. I look forward to later on receiving an answer in letter form on this matter from the minister. I may say that I do appreciate the information he sent me last year in this regard.

I should appreciate an answer from the Postmaster General on the question I raised several years ago concerning a marine post office at the lakehead. If C.S.L. and Scott Misener go through with switching their registry as they have indicated, we will very shortly have almost the whole great lakes fleet composed of foreign ships. This may happen. However, we have certainly had an increase in ships of foreign registry since I last raised the matter. A number of foreign ships are stopping at the lakehead. I should like the Postmaster General to look at this matter again and see whether there is any more justification for a marine post office at this time than there was several years ago.

The last request I wish to make of the Postmaster General is more general. I should like to know what arguments have been used in relation to some newspaper criticism I have seen regarding the letter of the deputy postmaster general to the public accounts committee. I cannot identify it more than that; I cannot find the particular letter here.

I think the minister knows what I am talking about. There was a letter from Mr. Boyle, I think, to the public accounts committee in relation to the criticisms or suggestions made by that committee last year. The letter indicated that certain things were waiting until there were recommendations.

I am interested in the fact that the Toronto *Star*, for example, indicates that Mr. Boyle's letter oversimplified the problem in relation to second class mail; it oversimplified the variety of rates and the question of the shipping of United States periodicals by mail from a point within Canada.

I do not wish to take up any more time, but I hope the minister will give me a reply to these questions in letter form, as he has done in the past. In conclusion I should ilke to say that if my tip is mere or sheer fantasy, so be it; but I feel there is a certain amount of substance in it and I only hope that the fact that I gave it to the committee will not stand in the way of the minister going in this direction if he feels that is where his future may lie.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, I will have to answer by letter many of the questions raised by the hon. member. However, I think I should point out one matter immediately because it does to some extent simplify the situation.

The pressure in the United States to raise second class mail rates arises very largely because of the fact that they are losing from $500 million to $800 million a year in their postal operations. Half the increase in the national debt in the last ten years has been the result of postal deficits alone. They are pushing very hard now, not only in the field of second class mail rates but in the field of all rates.

We will certainly look into the possibility of a marine post office at the lakehead. We will review the deputy postmaster general's letter. Since it oversimplified things for the

hon. member for Port Arthur, we will try to complicate it a bit and help him along those lines.

Mr. Weichel: I should like to ask a question of the Postmaster General regarding Christmas help. We understand that during the Christmas period notices posted asking those who are interested to apply for part-time or full-time work. If somebody who had applied, say, in 1960 was accepted and applied again in 1961 would such a person be given a preference? After all, this would appear reasonable, because he would have had some experience as compared with an applicant who had never done the work before, especially in post offices where there are still many boxes into which mail is sorted.

Mr. Hamilton (Notre Dame de Grace): To the best of my knowledge there is no fixed rule. I know from experience that generally we prefer people who have done this work before and there certainly is a tendency on the part of postmasters interested in operating as efficiently as possible to engage applicants who had had past experience.

Mr. Martin (Essex East): I wish to say just a few words, briefly, about a matter which is of local interest in my constituency, but before doing so I should like to say to the Postmaster General that when he came to Windsor recently to officiate at the opening of the new addition to the post office he extended to me a courtesy which I greatly appreciated. I told him so at the time, and I want to repeat it now because I am grateful for the fact that when he was in Windsor, a distinguished visitor in one of Canada's dynamic communities, he extended to one of the members of parliament who did not share his political views the kind of courtesies which I think are proper and I want him to know that I appreciate what he said.

I neglected to say to the minister on that occasion what I should like to say to him in this committee now, namely that I am sure the records of the department will show that the former member for Essex West, the late Donald Brown, played a great part in arranging under the former administration for the planning which came to fruition with the completion of this addition. I am not taking credit away from anyone who is contemporary, but I do think that in fairness to the memory of that very active public servant and member of parliament, the citizens of Windsor and Essex county generally would appreciate a word in recognition of what he had done with regard to the extension to the post office in Windsor.

However, I rise at this time primarily to ask the minister to give consideration to a matter which I have raised from year to year, and that is the desirability now of giving consideration to the establishment of a post office building in one of the thriving communities of the constituency I have the honour to represent. I refer to the community known as Belle Riviere. That community lies along the shore of lake St. Clair. It has a volume of business now and an importance in the county generally which, I think, warrant special consideration being given to it. I hope the minister will find my words today—words which paid him a tribute which I combined with my request—something of an inspiration to accept the proposal I am asking him to recognize. I hope he will use his good offices with the Minister of Public Works and recommend to him the desirability of building a post office in Belle Riviere.

While he is doing that, as I think he will, I would ask him also to give consideration to the desirability of establishing a post office building now in the township of Sandwich East in Essex county which has assumed by virtue of the increase in the population an importance which I am sure the records of the department will confirm. These are matters which do not seemingly have the importance of some of the subjects which the minister was discussing today but I can assure the hon. gentleman that they are matters of considerable importance in the communities to which I have referred.

I close what I have to say by observing that I thought the minister was a little harsh on the hon. member for St. Denis. I do not think this house suffers from the good humour of the hon. gentleman from St. Denis. I think he has served in this chamber as a very constructive critic of the important department of government over which the hon. gentleman presides. I do not think the minister should be too touchy. He should not resent the kind of criticism which comes from the hon. gentleman, generally with a smile and a touch of humour which has endeared him to all members. After all, the hon. member for St. Denis is a distinguished member of this house. He has been a member of this parliament since 1935 and anyone who has had the long period of public service that he has had certainly qualifies for the succession in a year or so following the next federal election. I have no right to say who the next postmaster general will be in the next Liberal government but I would suspect from the contributions which the hon. member for St. Denis has made that he would have a very strong claim by virtue of his distinguished record as a critic of the Post Office Department during the time the hon. gentleman has been Postmaster General and during the time the present government has been in office.

I hope the Postmaster General, before he leaves that post either to become deputy minister or upon the resignation of the present administration, will take steps to have a post office built by the shores of lake St. Clair in Belle Riviere and also to establish the kind of building in Sandwich East which I think the situation warrants. When the opening of the post office in Belle Riviere takes place and the opening of the post office building in Sandwich East takes place, as I suspect will occur, I not only hope but know that the Postmaster General will extend to me, in the opening of these buildings, the same courtesy which he so generously extended the other day when he visited the city of Windsor.

Mr. Chambers: Now that the hon. member has started so well perhaps he would like to mention the rest of the cabinet that he proposes to bring in.

Mr. Martin (Essex East): As we are dealing with each department of government I will be very glad to mention them.

Mr. Howard: Mr. Chairman, I am sure the Postmaster General listened with a great deal of interest and concern to the comments made by the hon. member for Essex East, but I hope in the interests of the citizens of Windsor and area he will not be influenced by the remarks made by that hon. member regarding the next election.

At page 3221 of *Hansard* for March 22, the Acting Secretary of State gave an answer to a question I had asked. The question was:

1. How many days elapsed between the mailing of *Hansard* from the Queen's printer and the day to which the mailed *Hansard* applies?
2. By what class of mail is *Hansard* mailed?
3. What is the length of time that it takes for *Hansard* when mailed from the Queen's printer to travel to Vancouver?

The Secretary of State answered as follows:

1. One working day.
2. Third class.
3. Normally three and a half or four and a half days.

I have since that time received communications from individuals who subscribe to *Hansard* regarding the time it takes for *Hansard* to reach them.

I received one letter from Captain Baker, a Canadian citizen who, for reasons of health, is living in San Diego, California. He said he noticed the question and answer appearing in *Hansard* and felt that he should supply me with some information in this regard. The letter is dated April 17, and he mentions that 6 days previous, which would be April 11, he made an examination at his local post office and found that one copy of *Hansard* reached him 21 days after it was printed. He said that the assistant postmaster came right to his home with a bundle of four copies of *Hansard* which had just arrived. He informed me that, together with the assistant postmaster, they opened them and tagged the covers which they mailed to Washington so that the officials there could make an appraisal regarding the United States postal system. I mention this as an example of the long period of time which elapses between *Hansard* being printed and delivered. I think hon. members will agree that 21 days is a rather long time for mail originating in Ottawa to be delivered in San Diego.

I received another letter from a Mr. B. L. Cope of Roberts Creek, British Columbia. Roberts Creek is a few miles north along the coast from Vancouver. This individual also subscribes to *Hansard* and noticed the question and answer. He listed in his letter a number of dates of *Hansard* and the time that elapsed between printing and delivery to him at Roberts Creek. The copies of *Hansard* mentioned are from March 1 to March 23, inclusive. I do not know that it would be in order for me to read the tabulation as it appears in the letter but I would be happy to do so or make it available to the minister. In any event this tabulation shows that one copy of *Hansard* took five days to reach him, five copies took six days, three copies took seven days, four copies took eight days, one took nine days, two copies took ten days, and one took 11 days. I feel this information is at great variance to that given by the Acting Secretary of State in reply to my question. If one allows even a day or two more than the four and a half days, as suggested in that answer, that is still a reasonable length of time, but an eight to 11 days' time lapse does not indicate efficient operation on the part of postal services.

I might mention that the gentleman in San Diego indicated also that some copies of *Hansard* had taken nine and 12 days to reach him. I would suggest that the information I have presented would warrant a thorough examination of the postal system on the part of the Postmaster General particularly in regard to the delivery of *Hansard*. I would also suggest that this situation exists in respect of other classes of mail.

Mr. Chairman, may I call it six o'clock?

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Howard: Mr. Chairman, I had completed my initial comments about the two letters I had received concerning the delivery of *Hansard* through the mail and the long

delay which exists in transporting *Hansard* from the Queen's printer to the subscriber through the postal system. I am sure the minister will take a look at this matter even though I know he has had a number of letters from interested individuals which apparently have resulted in no great speeding up in the delivery of *Hansard* through the mail.

I should like to raise another matter at this time in which I am sure each member of the committee has a personal interest. I refer to the franking privilege of members so far as the receipt of mail free of charge is concerned. During the time that the house is in session there is no difficulty, of course, but people do get into the habit of sending their mail to members without stamps. I am sure that other members as well as myself receive letters during the recess which do not have postage affixed on them and this results in double postage occasionally having to be paid. While I am not advocating the wholesale use of the frank from any post office in Canada throughout the year, I think that members' incoming mail should at least be transported free of charge during the time that the house is in recess. I understand this is a statutory matter and that an amendment to the legislation would be required. However, I think it would be a most welcome move if the minister would undertake to take this small step and thus save at least some members of parliament the few pennies in double postage that they have to pay from time to time.

I have another comment or two I should like to make. One has to do with a stamp album which I have not seen myself but which was described to me in the most glowing terms by a stamp collector. He received it as a gift from a friend who had travelled on the mainland of China. Apparently these albums are made available to philatelists through the postal system in Peking; at least that is where he said his friend obtained it. I would not attempt to describe it as he described it to me but apparently he felt it was a most worth-while type of album in that it was well prepared, was beautifully coloured and the inside pages did not provide for the usual arrangement of affixing stamps by gummed tabs but rather contained a series of folded plastic holders with slits in which stamps could be inserted and from which they could be removed without the risk of injuring the stamps in removing tabs. I think this is something which might be examined by the Post Office Department to see whether or not a similar type of service could not be provided to stamp collectors through the philatelic branch of the department. After all, attempts are made by this branch to see that first day of issue stamps and so on are made available to stamp collectors and the branch also looks after block sales of stamps to collectors. I think the service they render might be extended to the provision of albums of the sort I have described which would certainly be acceptable to those who collect stamps now and those who may take up the hobby in the future.

I have examined the report of the Postmaster General for the year ended March 31, 1960, and there are two or three questions I should like to pose to the minister with respect to the statement of revenue receipts found on page 42 of the report. I find that the income from the sale of meter and register impressions is almost equal to the income from the sale of postage stamps. In the case of postage stamps the total is $83.9 million in round figures and for meter and register impressions the total is $78.3 million.

I have not had occasion to look at past reports of the department but I am quite sure the income from the sale of meter and register impressions has been increasing substantially over the last few years because the use of postage meters has been increasing. I pose this thought to the minister, and I am sure this is a subject that will interest his colleague sitting next to him, the Minister of Justice, in that it may have some connection with operations under the Combines Investigation Act.

I am not sure of this, but I have been told that there is only one company in Canada, namely Pitney-Bowes, which makes and rents postage meters. I may be incorrect in that, but that is the information I have been given. If such is the case, it would appear to be obvious that Pitney-Bowes is in a monopoly position in so far as the manufacture and rental of postage meters is concerned. The rental arrangements which Pitney-Bowes enters into, of course, are based generally upon the amount of postage which goes through the meter. If Pitney-Bowes is the only firm in Canada which manufactures and rents postage meters or if it is the major firm and by virtue of its size has a monopoly in the field, then I feel some extensive investigation should be made to make certain the operations of this company do not contravene the provisions of the combines act or that the users of these meters are not overcharged.

If the minister has knowledge as to whether or not the Pitney-Bowes firm has a monopoly in this field, I would greatly appreciate a statement from him on the matter and also with respect to whether or not the department, either itself or in conjunction with the combines investigation branch, has made

any inquiry into this particular aspect. Perhaps following that statement we may be able to discuss the matter to a larger extent, if not now then when the estimates of the Department of Justice are being considered.

There is another item on page 42 of the report under the statement of revenues and receipts which I should like to discuss. Toward the end of the item "receipts", there is an item "return on investments" which, during the fiscal year 1958-59 amounted to $10.9 thousand and for the year 1959-60 amounted to only $8.7 thousand. There has been a decrease in the return on investments. I should like to know what is the amount of the investment on which this particular return is received. Where does the money come from that is so invested, and in what securities is it invested? What is the interest rate that is payable on this investment?

I think those are a few of the items upon which I seek information. I realize the subjects are rather scattered but perhaps the minister, either now or later on, will obtain this information for me. Perhaps I should resume my seat at this time.

Mr. Hamilton (Notre Dame de Grace): Perhaps I could deal with some of the points that have been raised until now, Mr. Chairman. The hon. member for Essex East was kind enough to indicate to us at least two points in his riding where he would like new buildings. We will be glad to have a look at these situations. I think perhaps the pleasant time we had in Windsor is an incentive to have him help us open new buildings, and I hope that similar arrangements will continue for some time to come.

The hon. member for Skeena referred to delays in the mailing of *Hansard*. While I have taken great pride in the operations of the department generally, I have always been very careful to point out that we are not perfect. It is very easy, I think, for any members of this house to bring forward specific instances of delayed mail. We like to know about these things. I would ask hon. members to let us know whenever they find an instance of mail being delayed.

We will certainly follow up this particular situation, although I might say if the situation is the one I think it is I have had a good deal of correspondence from this particular gentleman who resides outside of Vancouver. He is quite elderly and pays great attention to detail, but we do not always find the situation is exactly as it was represented. However, we will follow up this particular situation.

Franking, of course, as the hon. member pointed out is a statutory matter. We can have a look at the suggestion which he made, but it would certainly require a change in the act. In so far as supplying albums is concerned, I would say right away that this is not a very attractive proposition so far as we are concerned. Our policy for our philatelic section has been to stay away from anything which competes directly in the commercial field. We do sell stamps because, after all, we do produce them. There is no appeal in entering the field of selling postage stamp albums and a number of such items in competition with private firms.

I put some information on the record this afternoon regarding Pitney-Bowes. There are a number of other firms in Canada that have postage meters available for rent and, in some cases, for sale. I believe I listed five such firms. We are delighted at any time to license anyone who manufactures a postage meter that meets our primary requirement, that is ensuring that the postage involved is protected and there is no possibility of fraud or loss. Pitney-Bowes, however, is the major operator in this field beyond any doubt. Beyond that, however, I think the hon. member suggested that he deal with the matter on the estimates of the Department of Justice and on behalf of my colleague the Minister of Justice, I take that item as notice.

Finally, the hon. member asked about the item "return on investments". This, of course, is an unusual item. Some government departments, but not too many, have investments. Many years ago the department, in cooperation with the postmasters across Canada, set up a postmasters' guarantee fund or a post office guarantee fund, I think, would be the proper term. This replaced what had previously been the situation under which postal employees and postmasters were bonded in various ways. The fund was derived originally from moneys assessed against people employed in the Post Office Department, primarily postmasters I would think although it was a fairly general assessment, but since 1919 no contributions have been required. At that time the fund had grown to approximately $300,000 and it was considered sufficient to meet any claims which might be made against it. The claims, of course, arise from defalcations on the part of individual postal employees who have been entrusted with sums of money.

We do not have at the moment any detailed list of the investments of this fund. However, if my memory serves me rightly, they are all government bonds of varying maturities and whatever interest is being paid on them is paid to the Post Office Department as such. I am delighted to say that the fund is increasing a little bit each year because of the fact that not too many claims are made against it owing to the honesty of our postal employees.

I might just mention in passing that this is a little item about which the Auditor General writes me periodically because he would like to see all the money nicely gathered into one central fund. We have stood firm on this matter, and so far have done so successfully, because we take the position that this money was contributed originally by postal employees and that we are not going to turn it over to one central fund. We want to maintain it separately because it is in their interests so to do.

Mr. Howard: I should just like to follow this matter along a bit, if I may, thanks to the graciousness of my colleagues. With respect to the delay in the mailing of *Hansard,* may I say that it was not a specific instance that was referred to me in this letter but rather a number of instances, as I have said, the ones he listed ranging from March 1 to March 23, inclusive. There are therefore perhaps 10 or 15 specific instances in which the times for the mailing of *Hansard* took longer than the normal three and a half days to four and a half days as announced by the Acting Secretary of State. However, as the minister said he would have a review made of this matter I will certainly give him the particulars that are contained in the letter so that they may be available to him.

I understand that the Post Office Department is also in the banking business and that it thereby competes with private industry in connection with savings and providing a service in that field. That does not seem to be too compatible with the idea of not wanting to compete in the commercial field in so far as stamp albums are concerned.

The minister mentioned the Pitney-Bowes Company as being the major company or, I think he said, by far the major company in the field of providing postage meters. I must apologize for not having been here at the time he mentioned the names earlier this afternoon. I wonder whether it would be possible for his department to provide information that would indicate the percentage of the market, as it were, that Pitney-Bowes and these other companies have in Canada, or whether it is possible to obtain that information in order that we may see how major Pitney-Bowes is in this particular field.

I shall pose a question to the minister with respect to outgoing mails as they are handled by the railway system. Again I have been told—and I have not had a chance to check on the matter—that outgoing mails are sent alternately via C.N.R. and C.P.R. from those communities which are serviced by those two railways when such mail is going to other communities which are also serviced by the same two railways. Otherwise the rail mail is shipped via the system which will go to that place if it is in fact served by only one railway. I wonder whether I have a correct understanding of the system, namely that the mail travels on alternate days or alternately anyway as between the two railroads in the circumstances I mentioned.

Mr. Hamilton (Notre Dame de Grace): The short question to this answer is no. There may very well be occasions on which the railways will have schedules that vary from day to day, perhaps a train which runs on Tuesday and Thursday, and there may be a different routing of that mail on the different days in order to make connections. I think a crossword puzzle, compared with the work of the transportation division, is very simple indeed because of the difficulty in connecting one link in moving mail with another. But basically, if a train is running regularly each day it is our practice to ship all the mail that is available by that train day after day. We do not alternate from one railroad line to another merely for the sake of alternating.

Mr. Tardif: I am a little bit embarrassed tonight because I want to ask the minister for a service and I want to criticize the department. I do not know whether it is best to criticize the department and ask for the service afterwards or to ask for the service first and to criticize afterwards. I do not know which procedure will be the most effective.

Mr. Grafftey: Get to the point and save time. Be brief, whatever you do.

Mr. Argue: The hon. member should listen.

Mr. Tardif: I hope I shall be able to make these remarks without having to listen to the hon. member for Brome-Missisquoi blowing his horn.

Mr. Grafftey: Brevity has its charms. I thought I would let the hon. member know.

Mr. Tardif: The hon. member for St. Denis, when he made his remarks on the administration of the Post Office Department said that the minister was a brilliant one or rather, if I may correct myself, that the minister had made a brilliant report. The hon. member for Port Arthur said that it was not necessary for the minister to have his advisers at the table in front of him in order to make it possible for him to have his budget carried by the committee. I must admit that he is extremely efficient. In respect of some of the questions that he does not want to answer or for which he does not have the answer he says, "I will send it to you by mail". I think there are a great many questions that were asked here this afternoon the answers to which I would have preferred to get here

rather than in the letter that is going to be sent to the hon. member who asked the question, inasmuch as it will probably be marked private and confidential and we shall probably never get to know what the answer is.

It is possible that the minister does not need his advisors in front of him in order to carry his budget in the committee. However, I think he should have some advisors in front of him when it comes to the matter of employer-employee relations. There is a low morale amongst the employees of the Post Office Department. I know the minister will probably deny that. Many of the employees who are not pleased with the treatment that they are getting in the departmen do not wish to make official complaints.

An hon. Member: That was prior to the raise.

Mr. Tardif: That was prior to the raise. As a matter of fact they thought the raise was too long in coming. I do not think that the minister did any bodily harm to any of these fellows but I think he tried to worry them to death because he kept them waiting for two years. It lowered the morale of the department considerably. If the minister had taken the advice of the senior employees of the department I am sure that problem would have been settled before the expiration of two years.

As far as his personal administration is concerned and as far as he is responsible for making policy for the department I do not think there is so much to brag about when at the end of the year there is going to be a deficit of $9 million. It was, therefore, not in order to eliminate the possibility of a deficit that he kept the employees waiting two years. I think it was because the minister himself is of the opinion that he can run the Post Office Department without any assistance. All the employees of the Post Office Department who are trying to maintain the reputation which that department had prior to this present administration taking office, would perform their tasks in a much easier manner and would feel a great deal better about the situation, if the requests that they make for adjustments or the complaints they make with regard to working conditions were listened to and problems were solved much more quickly. I do not know whether the contagious habit of postponing decisions has affected the minister or whether the minister has affected the cabinet. For some reason or other a great many of these problems that should be solved are postponed and there is altogether too much procrastination.

This is what the employees of the Post Office Department have been complaining about. They are not complaining openly because they are afraid of retaliation. I do not mean retaliation in the sense that they will lose their jobs, but retaliation in the sense that they will not get the promotion to which they are entitled, or the next time they ask for an adjustment in salary, instead of having to wait two years they may have to wait longer.

Mr. Grafftey: We do not behave like the Liberal government. Things have changed.

Mr. Tardif: There is a boat in the canal again. I do not think anybody on this side of the house objects to mechanization. I was quite impressed by the statement of the minister that mechanization will not cause any post office employees to lose their jobs.

I know that mechanization is inevitable; we are going to have it. While it may not cause any of the present employees of the Post Office Department to lose their jobs, I am very much afraid that it will prevent other people from obtaining jobs which they should obtain. While mechanization should be gone into, I think it should not be gone into at an accelerated rate, but step by step so as to cause the least possible concern to the present employees of the Post Office Department and so as to bring about a partial solution to our present unemployment problem.

I think an employee or officer of the department should be appointed as a public relations officer. I do not mean a public relations officer to effect liaison with the people served by the Post Office Department, but with the people who serve the post office, the employees of the department.

I do not say that the minister does these things willingly. He is probably too busy. However, if there were an officer of that type to advise him, or if he were to listen to the senior officers of the department I am sure this would benefit not only the employees of the department but all the citizens of Canada.

I do not want the minister to forget what I have said, and I want him to clearly remember what I am now going to say.

Mr. Hamilton (Notre Dame de Grace): You have not said anything worth remembering.

Mr. Tardif: The people of the town of Eastview have repeatedly asked for a post office. Eastview is a town of 25,000 people and I think they are entitled to this type of service. I have received many representations on this matter, the last one being from the Eastview board of trade, and I am told that no other town in Canada of this size is without a post office.

I urge most strongly upon the minister that he include a post office for the town of

Eastview in the plans of the department this year. The people of Eastview feel they are being discriminated against as far as postal service is concerned. It is a town of 25,000 inhabitants as I said. Even if they are in close proximity to the city of Ottawa, it is very inconvenient at the moment for the people who live in Eastview to obtain in the city of Ottawa the type of service they require.

A post office in the town of Eastview would not considerably increase the deficit of the Post Office Department. I know the minister will take this matter into serious consideration and I hope this project will be accomplished without too much delay.

(Translation):

Mr. Boulanger: Mr. Chairman, at one time the city of Arthabaska, of which I am the humble representative as member for Drummond-Arthabaska, had as a resident the greatest statesman Canada has ever known, Sir Wilfrid Laurier.

There is in that city a post office of a very special character in that it is topped by an historic clock which the population wishes to keep as a souvenir of the good old days, of the years of prosperity and of pleasant memories.

I was told recently that it had been decided not to undertake certain repairs to the clock and to the belfry of that post office. I am told that the hands of the clock are gone, that the glass is broken, in a word that it needs a complete overhaul. On behalf of the citizens of the cities of Arthabaska and Victoriaville, and of the Arthabaska riding, I ask the Postmaster General whether he could not use $50 to $200 of his budget to make the necessary repairs and thus preserve that memento of the old days.

The city of Victoriaville will celebrate this year the centenary of its foundation and, in order to enhance the beauty of the city, we would like that clock to be repaired in order to show that the Conservative government is still functioning.

(Text):

The Chairman: Shall vote 308 carry?

Some hon. Members: Carried.

(Translation):

Mr. Boulanger: Mr. Chairman, I asked a question to the Postmaster General and I should like to get an answer.

(Text):

Mr. Hamilton (Notre Dame de Grace): The question of clocks in post offices is of course a matter for the Department of Public Works. I will draw it to the attention of my colleague.

(Translation):

We shall do all we can so that the clock will work better in the future than it has in the past.

(Text):

The Chairman: Shall vote 308 carry?

Item agreed to.

309. Operations including salaries and other expenses of staff post offices, district offices, railway mail service staffs, and supplies, equipment and other items for revenue post office, including administration, $121,039,796.

Mr. Carter: Mr. Chairman. I do not wish to delay the passage of this item. I know the Postmaster General is anxious to have the item passed. However, I do want to support the remarks made this afternoon by my colleague the hon. member for Grand Falls-White Bay-Labrador. My colleague raised the question of a minimum salary for revenue postmasters. The Postmaster General pointed out that a minimum wage was already in effect, and I think he told us it was based on the volume of work carried out by the postmaster.

When the Postmaster General introduced his estimates the other day, in reply to a question I asked he said there had been a general increase in the salaries paid to revenue postmasters. I wish to make one observation and ask one or two questions in this connection.

The observation I wish to make is that "salary" does not seem to be a correct description of the payments to these revenue postmasters. It would have been a correct description a few years ago, but as I understand it, what the postmaster receives now could be more properly described as remuneration. It could more properly be described as remuneration because it includes not only a payment for his services but also an allowance for the provision of accommodation, fuel, lighting, maintenance, cleaning and other janitorial services.

In this connection I should point out to the Postmaster General that if this remuneration is based on the volume of work carried out, that is fine for the postmaster who has the post office located in his own residence or in some building of which he is the owner. However, in the case where the postmaster does not own the building, or where it is not in his own house and he has to pay rent being paid in accordance with the volume of work he carries out. He receives just the for the post office accommodation, he is not same payment as the man who handles the same amount of traffic and who can keep all the remuneration for himself because he owns the building in which the post office is housed.

The person who does not own the post office building and who handles exactly the same volume of work has to pay part of his remuneration to somebody else for renting

the post office accommodation. That means an inequality in connection with people who are rendering the same service.

I wish to ask the Postmaster General a question, and perhaps he would prefer to reply by letter. I will not press him for a reply at the moment. The Postmaster General knows that in Newfoundland we have a special situation where the postmaster's salary is made up of two components one paid by the Post Office Department and the other by the Canadian National Telegraphs. In addition the question is still further complicated in that some of these salaries are subject to a ceiling and, I think, have been subsidized by both the post office and the C.N.T. In such cases any increases which may have been made in their pay would not be increases in fact because they would merely mean a reduction in the subsidies. Thus, the postmasters in this category will not be any better off.

I believe there are other cases where increases would only serve to lower the payments of the C.N.T. though I am not perfectly sure. The question I want to ask the minister is whether he would at some time let me have the number of post offices where the postmasters have not benefited at all from these increases. I should like him to tell me also what the minimum remuneration is at the present time and whether the increase was a straight across-the-board increase, and what the percentage rate of increase amounted to.

Mr. Hamilton (Notre Dame de Grace): The minimum salary for revenue postmasters at the present time is $245 per year for our smallest post offices. The increase which we gave the revenue postmasters was practically the same for all the grades although there were some variations to take account of certain special circumstances. Everything was rounded out to the nearest $5, as I remember.

Mr. Carter: And the approximate rate?

Mr. Hamilton (Notre Dame de Grace): The approximate rate is slightly higher, I think, than the average of the increases which have been granted to postal clerks. It has always been our practice to increase our revenue postmasters on the same basis as civil servants. There will always be circumstances which will vary cases but this is the practice we have followed in this case.

(Translation):

Mr. Lessard: Mr. Chairman, I have one or two questions to put to the minister. Could he tell us how much per hour is being paid to casual or intermittent employees? The other question is: Is the same wage paid to both men and women?

[Mr. Carter.]

Mr. Hamilton (Notre Dame de Grace): Would the hon. member tell me once again to what category of employees he is referring?

Mr. Lessard: Casual or intermittent employees.

(Text):

Mr. Hamilton (Notre Dame de Grace): I will get the answer with respect to our temporary employees in a moment and give it to the hon. member.

Mr. Batten: Could I ask the minister how the revenue postmasters in small post offices in Newfoundland are paid? Are they paid by the month or bi-monthly, or is the period, in some instances, longer?

Mr. Hamilton (Notre Dame de Grace): No. We are rather proud of this. For many years revenue postmasters across Canada have been paid on a monthly basis. That has not been very satisfactory to them. They have pressed us for payment twice a month. Within the last year we have been able to put the process on one of our machines and the result is that most of the revenue postmasters across Canada now receive pay cheque twice a month. In the case of postmasters in Newfoundland—and perhaps this has led to the hon. member raising his question—they are still on a once a month basis because we have been introducing this change gradually, province by province. I believe that in the next two or three months they also will be receiving their cheques on a twice monthly basis.

Mr. Deschatelets: Has the minister any answer to the question asked by the hon. member for St. Ann?

Mr. Hamilton (Notre Dame de Grace): It is on its way. My memory of the present figure or the figure which will very shortly be in effect is that with respect to our part-time employees, those who are paid on an hourly basis and sort mail in a city such as Montreal, it would be in the neighbourhood of $1.70 an hour. It is the exact equal of a postal clerk's pay.

Mr. Loiselle: Did the minister say $1.70 an hour?

Mr. Hamilton (Notre Dame de Grace): That is my memory of the figure and I am sure it is right.

Mr. Deschatelets: Would the minister say if the same salary rate applies to women and casual workers? I should like the minister to check because I am under the impression that his information is wrong.

Mr. Hamilton (Notre Dame de Grace): An adjustment has been made there. Perhaps there is some misunderstanding but I think the class of worker about which the hon.

member is asking are those people who come in between four and five in the afternoon and on the basis of three or four hours a night work to handle the mail during peak periods. The principle which applies is that these people are paid on the same basis as permanent civil servants who would be doing the same class of work except, of course, that they would be paid on an hourly basis rather than on a weekly or monthly basis.

Mr. Denis: I am told that this afternoon the hon. gentleman made some comments about a speech I had delivered earlier in this debate, and that in the course of those comments he described some of the assertions I had made as absolutely wrong. Well, I may have been wrong in some instances, I agree with him, but I have been reported as having said that the increase in parcel post revenue would amount to $22 million. That is not what I said. I said that the revenue from the parcel post service was $22 million this year. As a matter of fact a few months ago I put a question on the order paper seeking that information.

If hon. members take into account the increase to be expected from the new rate, if they add to that the revenue from the new high rate on United States periodicals; if they add to that this increase in third class rates the total increase will amount, I said, to an increase of about 90 per cent. That prediction may be wrong. Only the result next year will tell us whether the revenue of the parcel post branch has increased 90 per cent, or more, or less. Even the Postmaster General himself acknowledged that an increase of at least 44 per cent could be expected. But this 44 per cent increase would apply only in certain instances. If you live in Newfoundland and mail a parcel to the Yukon the increase in the rate is not as high as it is for parcels mailed to an adjacent province. The majority of parcels mailed are addressed to a destination in the same or an adjacent province. I realize that the majority of revenue received from parcel post service is derived in respect of those areas where the increased rate is 44 per cent.

According to a schedule I have, a parcel weighing 15 pounds mailed in one province to a destination in the same province within 20 miles would cost 255 per cent more than before the increase. The percentage of increase is higher when the parcel is mailed to a destination further than 20 miles, and increases proportionately. A parcel mailed in Hull to be delivered in Aylmer, which is within 20 miles, cost 38 cents before this increase. This category has been abolished and no longer represents a gift from the Postmaster General. The regular price now being paid in that situation is $1.25. If that parcel were mailed from Ottawa to Aylmer or Hull, originating in one province for delivery in another, the rate is $1.64 instead of 38 cents. That represents an increase of 331 per cent.

In view of the circumstances I have outlined, how can the Postmaster General declare that the average increase is only 44 per cent? I presume that is the average, because of the fact that the increase in rate in respect of parcels mailed to the Yukon represents only 13 per cent. To that extent the increase supports the contention of the Postmaster General. However, the majority of parcels I mail from Ottawa or Hull are for delivery within a 100-mile radius and the increase in rate is much higher. In this case the percentage of increase supports what I have said.

The Postmaster General then made a few remarks in regard to the complaint that there was no French version of the pamphlet entitled "Letter Perfect". I have not suggested that there was no French version but said rather that I had not received the French version and would suggest that I should have in view of the fact that I speak French better than English.

Mr. Hamilton (Notre Dame de Grace): Your English is very good.

Mr. Denis: I feel the Postmaster General should have sent me a French version of this pamphlet. I would not suggest that both a French and English copy should have been printed but feel that a saving would have resulted in printing the French and English versions in the same pamphlet. As I said before, of the 24 pages in this pamphlet there were only eight pages of text with the rest blank or containing pictures.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, I want to say at once that I agree with the hon. member completely. We should have sent him a French version of this booklet. His English is so completely fluent, as hon. members know, I am sure the English version presented no problem. None the less, one of the standing instructions in my department, and in fact generally throughout the government, is that when a member or a correspondent is French-speaking we deal with him "dans sa propre langue maternelle". This was an error and I apologize to the hon. member as well as any other French-speaking member in this committee who experienced this situation. I will take the necessary action in my own department to see that this type of careless action does not happen again.

I would mention very briefly in regard to the parcel post rates that the hon. member will know that the new rates are still nicely below the express rates. As he has said, a

complicated schedule which has hundreds of rates varying in degree is a wonderful thing to argue about because he can choose that which supports his case while I can choose that which supports my case. If he agrees that the average increase is 44 per cent across the board then we are not too far apart. If we began to dig out individual rates this evening we would be here too long.

I would like to say to the hon. member finally that I have enjoyed tremendously the exchanges I have had with him in respect to the Post Office Department during the last three or four years. We have not always agreed and perhaps I have been a little harsh on one or two occasions, but I certainly have appreciated his interest. I hope that remark does not encourage him to go on for the rest of the night.

(Translation):

Mr. Denis: Just a word, Mr. Chairman, about the minister's contention that there were less thefts than the previous year. I quoted figures: 813—

(Text):

I was referring to everything in the Postmaster General's report. I did not mention that amount only in regard to what he said. This may include break-ins this year and last year. It is the whole picture I referred to at that time.

Mr. Deschatelets: I would like to ask the Postmaster General a question regarding electronic sorting machines—coders and sorters. Would the minister kindly inform the committee if an order has been placed with Canadair in regard to these machines?

Mr. Hamilton (Notre Dame de Grace): No, very definitely not at the present time. I would not expect any production order will be placed for these machines for some time yet.

Mr. Deschatelets: Would the minister be kind enough to inform us how many of these installations he is planning to make?

Mr. Hamilton (Notre Dame de Grace): That is not an easy question to answer. Using the information we have regarding other postal operations, and the application of the output of these machines, in round terms I would anticipate they would be of principal value in perhaps 10 to 15 offices in Canada. It is an interesting fact that by far the larger portion of all Canadian mail originates in 10 to 15 offices in Canada.

Item agreed to.

The Chairman: We have now completed the estimates of the Postmaster General.

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

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

279. Departmental administration including Canada's share of the expenses of the "Resources for Tomorrow" conference, $1,105,390.

Mr. Deschatelets: Does the minister have a statement to make before we study these estimates?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Chairman, from time to time it has been my privilege in this committee to consider the estimates of this department as well as the estimates of other departments from the position of a member of Her Majesty's loyal opposition. More recently it has been my privilege to take part in these important parliamentary discussions as parliamentary secretary to the Minister of Veterans Affairs. On the first occasion I might be regarded as having been on the giving end of the firing line while on the second occasion I was in the second echelon as far as the receiving end is concerned. Tonight I find myself in the front line of parliamentary action for the first time.

Mr. Martin (Essex East): Which do you like best?

Mr. Dinsdale: The hon. member for Essex East has inquired which I like best. I shall let him have that answer following the completion of my estimates. Perhaps in about an hour's time I will be able to supply him with the answer.

There is no need to go into detail by way of a preliminary statement on these important estimates. My predecessor, the hon. member for Qu'Appelle, on three previous occasions has had the privilege of guiding the estimates of the Department of Northern Affairs and National Resources through the House of Commons. I have reviewed the record of those debates and discussions and I am sure all members will agree that the pattern has been well established for the recent progress that has been made in all the multitudinous and multifarious activities of the department.

Then, too, I must mention the fact that unfortunately we are not able to have with us tonight the hon. member for Mackenzie River who has taken part in these discussions in a knowledgeable way during past years. As hon. members know, the hon. member for Mackenzie River has had a very serious illness extending over a long period of time, and I am sure we all regret his absence tonight and wish for him a speedy recovery. However, we do have another genuine northerner with us tonight, the hon. member for Yukon. He is the only hon. member able to be present tonight representing that great area of

Canada north of the 60th parallel which constitutes 40 per cent of Canada's land area and he will carry the main burden and responsibility for bringing all the pertinent problems before members of the committee.

I came to this portfolio less than six months ago and during the intervening time I have been busily engaged in making myself acquainted with the functions of the department in Ottawa as well as with the departmental officials and personnel here in Ottawa. I am very happy to inform members of the committee that during that time I have had the opportunity of meeting every member at work in the department here in Ottawa. That alone is a formidable task. I am not sure of the exact number of personnel in Ottawa but I understand it is approximately 700.

More recently I have visited the territory itself, having travelled in the Yukon during the Christmas recess and in the Northwest Territories during the Easter recess, and within two weeks I hope to be able to have a bird's-eye view of the important area of the north that we call the eastern Arctic or the Canadian archipelago. When I have completed this itinerary I will have had personal contact with the people in places that until recently were almost unknown in the southern part of Canada but which because of the upsurge in activity in recent years are rapidly becoming household words in the Canadian nation.

By way of introduction, I should like to make a brief reference to the administrative responsibility of the minister of this department. The Department of Northern Affairs and National Resources consists of an administration services branch and five operating branches. There are important interrelationships between these five operating branches. As members look through the blue book of estimates they may find some difficulty in finding any apparent interrelationship with respect to some of the branches that come under the general heading of northern affairs and national resources. It is true that there are some dissimilarities in the objectives, aims and activities of the national museum, for example, and those of the water resources branch or the national parks branch on the one hand and the northern administration branch on the other. Similarly, the Canadian government travel bureau would at first glance appear to bear little real relationship to other areas of the department's work. Yet it seems clear that activities designed to assist such an important resource-based industry as tourism have an appropriate place in the national resources department.

Having called attention to the great diversity in the work of these five interrelated branches, it seems to me it would make for more orderly discussion if I did not attempt in this opening statement to go into any detail with respect to the various branches. I shall therefore restrict myself to a few general observations on the department as a whole, particularly in relation to the votes shown under departmental administration, of which there are four. If it is the wish of the committee I will be glad to make statements on each of the five branches as the appropriate items are reached. I assure you, Mr. Chairman, that I am entirely in the hands of the committee in this respect. It might be that members of the committee in their general statements might touch on points that I would otherwise have considered, which I think will obviate the necessity of repetition on my part.

Hon. members will note that the department's estimates for the coming year total nearly $84 million compared with some $88½ million last year when the various supplementary items for 1960-61 are included. Comparisons between the two years, however, are somewhat misleading since last year's estimates included an amount of nearly $7½ million for the forestry branch which is now a part of the new Department of Forestry. It is evident, therefore, that instead of a decrease of $4½ million there is in fact an increase of about $3 million over the previous year when the forestry figures are excluded.

It seems to me that one of the most important developments of recent years in this department was the government's decision to give greater recognition to the importance of the forest-based industries in the Canadian economy by the creation of a separate full-time ministry. This is in line, of course, with the emphasis on national development which was so clearly set before the committee on previous occasions by my predecessor in this office. I should like to pay tribute to Dr. Harrison, the deputy minister of forestry, and his colleagues for the excellent work they have done over the years as an important part of my department, and also to Dr. Prebble and his associates from the former forest biology division of the Department of Agriculture. So far as I am concerned, my contact with these gentlemen was in the form of a hail and farewell because they were already in the process of transition when I took over the portfolio. Already there is evidence that these men, under the leadership of my colleague, the Minister of Forestry, are creating from out of the two units an effective and smooth functioning organization which, in co-operation with the provinces, will more adequately fulfil the federal government's responsibilities in this very important field.

Looking ahead—I must make some reference to this event because of its importance—the most notable event for the department during the coming year will be the resources for tomorrow conference scheduled to take place in Montreal next October. The first item in the estimates, vote No. 279, includes an amount of $80,000, the details of which can be found on page 399 of the blue book, which is the federal share of the expenses for this conference. The provincial governments have agreed to contribute $40,000 which will bring the total budget for the conference to $120,000.

During the course of the session so far certain hon. members have maintained an interest in the plans for this conference as indicated by their questions from time to time on orders of the day. I hope that this interest will continue because I feel that if the success of the conference is going to be assured every hon. member will share some responsibility for publicizing it and making it as widely known in their respective constituencies as possible.

When I was first a member of this house, I can recall that year after year there was an annual call on private members' day for a conference of this kind. At last, the conference is going to become a reality. The hon. member for Port Arthur has been one of the persistent inquirers—I was going to say inquisitors, but I think inquirers is a better word—about this conference. I trust he will have something to say during the discussion of the estimates.

The other day a question was raised about the participants in the conference. I am happy to be able to inform the committee that there will be some 600 persons attending from governments, business, industries, universities and various interested organizations. The conference is long overdue. It is being called to ascertain what is being done across the nation with regard to the management of our renewable resources, the gaps which exist and what should be done in the future to assure wise management of these important resources. Water pollution will be a subject for discussion. Water was once regarded as boundless and plentiful in Canada. In some settled areas of our nation we have been confronted recently by a real problem of polluted waters. Legislation to deal with this matter has already been considered. I refer to the passage of legislation last fall providing assistance to municipalities for the construction of sewage disposal facilities. This is the sort of thing that anticipates what we feel will be the results of the conference.

Another piece of legislation which anticipates what we feel and what we hope will come out of the conference concerns the A.R.D.A. program which is a massive and comprehensive approach to the wise management of our soil and water resources. This bill is still before the house. No doubt there will be much useful and helpful discussion in respect of these important renewable resources. I shall leave the discussion of the resources for tomorrow's conference at that stage and just indicate that the plans are going forward. Perhaps if hon. members have any further questions we can consider them after those questions have been placed before the committee.

Research has been a topic of continuing discussion in Canada, particularly research in the north. Hon. members will notice that the second item in the estimates, vote No. 280, provides for the operation of the northern co-ordination and research centre, including a grant to the Arctic institute of North America and grants in aid for northern research. The act under which the department is established gives the minister of northern affairs the responsibility for co-ordinating federal government activities in the Yukon and Northwest Territories and also for fostering, through scientific investigation, knowledge of the Canadian north and of the means for dealing with conditions related to its further development.

The northern co-ordination and research centre sponsors and conducts research in those areas that are outside the sphere of responsibility of other departments. The increase of $19,780 in this vote is to provide for a modest expansion in the program and meet the increased cost of salaries.

The research program is going forward. There are some who will say that it is not going forward rapidly enough, but I do want to point out to hon. members that there has been a considerable expansion and increase in activity in this important area during recent years.

I think, Mr. Chairman, with these general references to the estimates by way of getting the discussion initiated tonight, I shall resume my place. I could have continued by talking about the progress of our roads to resources program which is covered by vote No. 282. Perhaps I should mention that this program now covers all ten Canadian provinces. In fact, my first formal duty when I became minister was the signing of the agreement with the province of Quebec which completed the national picture for participation in the roads to resources program. The expenditure to date under the roads to resources program is estimated at slightly more than $45 million, and federal payments already made to provinces exceed $20 million. When fully implemented, the program should produce some 4,500 miles of new and important

developmental roads in the provinces. At the moment 2,198 miles are under construction and 1,317 miles have been completed. We all recognize that in order to carry forward the program of national development that has been launched, it is necessary to provide access roads to our resources potential.

Before resuming my place I want to repeat that I shall be pleased to reply to general questions on departmental policy on the first vote or to questions of detail on any of these first four items. As I have indicated at the outset of my remarks, I shall be glad also to make short statements on each of the branches as the appropriate items are reached if that is the wish of the committee.

(Translation):

Mr. Deschatelets: Mr. Chairman, at the outset of my remarks, I want to congratulate the Minister of Northern Affairs and National Resources (Mr. Dinsdale) who, today, submits for the first time his department's estimates to the house. I must tell him that his statement made a very favourable impression because he has shown that great quality, humility. Some humility is, indeed, restful after that slight shortcoming we so often encountered in his predecessor.

The minister may be assured that we shall be extremely pleased to co-operate with him in the discussion of his estimates.

As this discussion may be divided in five general parts, I think we may save some time and achieve the same ends if, whenever one of those five parts is called, the minister were willing to make a statement, and, following this, we could ask him all questions we should think appropriate.

Mr. Chairman, I also thank the minister for mentioning the hon. member for Mackenzie River (Mr. Hardie), whom sickness keeps away from this house.

We particularly appreciate the recognition of his talent by the minister. Indeed we all remember how he shared with us his considerable knowledge of the northern areas, of their population and geographical conditions.

May I recall a gesture which I found very typical of the hon. member. At the opening of parliament in 1958, he came in dressed in his parka and the traditional garb of those living in the district he represents.

The hon. member for Mackenzie River is very proud of his district and he never misses an opportunity of trying to help those people.

Once again, we appreciate that the minister recognizes the great qualities of the hon. member for Mackenzie River who, we hope, will soon be back among us.

Mr. Chairman, I understand that a sum of approximately $3 million above the amount voted last year is provided for the coming year. Now, I wonder whether, in this amount of $82,707.036 which has been introduced today, the minister has taken into account the other sums of money which will be made available for the northern areas by the Departments of National Defence and Public Works and yet another branch which, I think, usually spend some money there.

Now, Mr. Chairman, I must also tell the minister that we want to pay tribute to Mr. Harrison and Mr. Trimble, and their associates, who have served this department so well.

The minister told us about the resources for tomorrow conference which is scheduled to take place in Montreal next fall. I mentioned it myself when the estimates of the Department of Agriculture were discussed. The conference will be of national interest, and that for many reasons. Since the elections which took place last June 22 in the province of Quebec we now have a well-disposed government, and that is why the city of Montreal will have the honour of playing host to representatives from all Canadian provinces who will try to lay the plans to stimulate economic expansion in all parts of this country and the development of our resources. As the minister said, our resources are not inexhaustible. And if in certain provinces, like Quebec, for instance, water resources are still plentiful, there are other provinces where certain resources are exhausted.

If I understand correctly, that conference would undertake planning of our natural resources potential for the benefit of this country.

In conclusion, the minister referred to the special research program for these northern regions. I recall that from 1953 to 1957, he gave special attention to all matters related to research, and I think that we should not be afraid to devote to it an increasing part of our national budget, for I believe that we are not giving research the importance given to it by most other countries, especially in northern Europe.

Having said that, Mr. Chairman, I want to deal generally with these estimates.

How can we discuss this department's estimates without referring to the great vision of 1958? We hear less and less about it now. It has become a mirage over the years. We remember the build-up and the high-pressure publicity that accompanied this vision of the north at election time in 1958. That vision was not based on facts, as I will prove in a few moments. It seemed quite funny to us who had been sitting in this house from 1953 to 1957.

May I point out that there was in fact a vision of the north, but that we owed it to the former government, in particular to the former minister who has now become the premier of the province of Quebec. And to prove this statement—I want to state an historic fact—I will refer to the 1955 estimates. I believe the present minister was then a member of the special committee, as I was also. So, I quote from a statement made by the former minister, now premier of the province of Quebec, when we were about to discuss the planning of northern affairs:

As I intimated the other day, we are firmly convinced that there are two fundamental problems in the Canadian north, problems that we have been actively considering since: first, the achievement of its economic development as an integral part of Canada; second, the adjustment of its native people to a new way of life. As I said last Wednesday we have to deal with two main problems; one is economic, the other is human.

In the economic field our policy is to develop the natural resources of the north to the maximum national advantage. The process will involve gainfully occupying more and more natives and attracting people to the north.

And on page 536:

As to water transportation we have had since January preliminary talks with the officers of the Northern Transportation Company, and we will have a further meeting with them next week. We are hopeful of obtaining a fair reduction in rates to and in the north. As to air transportation, the Canadian Pacific Air Lines has now before the air transport board an application for a reduction in their rates to and in the north. We have decided to have a more vigorous policy of road construction. We have already made provision for more road building.

The second problem is the human problem. This is the problem of the natives of the Northwest Territories. The nation as a whole gives them family allowances, old age pensions, and relief when indigent, but the broader need—and they are immediate needs—are health, education and a sound economy.

On page 539, he said:

The provision of more adequate primary education is most urgent in the Mackenzie valley . . . All the hostels to be constructed within the next five years, except one, will be in the Mackenzie valley. The hostels will be constructed by the Department of Northern Affairs and National Resources, which from the first of April this year—this week—will have responsibility for the education of Indians as well as Eskimos in the Northwest Territories. The hostels will be turned over to either the Roman Catholic Church or the Anglican Church for operation (the Indians and Eskimos are almost entirely of one denomination or the other) according to location and the population to be served.

These proposals have been discussed fully with Bishop Marsh of the Church of England and Bishop Trocellier of the Roman Catholic Church. Both agree that it is the program best designed to meet the special needs of the north and to remove difficulties that have been increasing in recent years because of the inadequacy of school facilities in various localities for children of one faith or the other.

The above program will be implemented over a period of six years, with the first unit being started during the coming summer—1955.

And here is the conclusion on page 540:

Mr. Chairman, I have given an outline of our policy to cope with the human problem of economic development in the north. I do not believe our plans lack imagination, vigour or aggressiveness.

At this point, Mr. Chairman, I should like to pay tribute to the former minister of this department, who is now premier of the province of Quebec, because I think we should give credit where credit is due.

I repeat, therefore, what I said a moment ago, namely that if there has been a vision for northern affairs, we owe it to the Hon. Jean Lesage. I thought tonight was a very appropriate occasion to pay him this tribute.

In order to substantiate my claim, I shall also say a few words about a brief entitled:

(Text):

"The Yukon Territory. A brief presented to the royal commission on Canada's economic prospects".

(Translation):

—under date of November 22, 1955. I do not want, of course, to go into details, but I shall only quote this document: It mentions the following proposed studies.

(Text):

Natural resources; mineral resources and other natural resources.

Population and economic development; population; economic development and future of the mining industry.

Problems of economic development; climate and transportation.

Promotion of future economic development; roads; tax exemptions and water power development.

(Translation):

Mr. Chairman, still with a view to establishing the merits of my argument, I should like to mention the brief entitled:

(Text):

"The Northwest Territories—Its economic prospects."

(Translation):

—under date of November 22, 1955. I shall list the various studies suggested in this brief:

(Text):

Natural resources; mineral resources; agriculture; forestry; fishing; fur trapping and water power.

Other factors relating to economic development; population; the problems of the native people; economic development and the human problem; climate; transportation and the distribution of governmental responsibilities.

Ways and means of encouraging economic development; a railroad to Great Slave Lake; development roads and air routes to the Arctic.

Mr. Chairman, two briefs were submitted in November 1955, under the previous government, one on the Yukon Territory and the other on the Northwest Territories. Those briefs show not only the interest taken in this matter by the previous government, but also the awareness of this situation and a well defined plan for their development.

Mr. Chairman, since 1958, of course, it is no longer a matter of vision but of consolidating the studies already made. I trust that the minister, who is surely aware of this program of action, will see to it that it is implemented in the best interests of this area and of its inhabitants.

Mr. Chairman, if I understood correctly, these areas are not yet densely populated, far from it. And before we can populate them, it is obviously necessary to lay down a plan for development. Now I believe the most important problem—the minister has touched upon it a moment ago—is that of highways. For in those areas, it is not unusual for two localities to be 200 to 250 miles apart, and everybody admits that in order to develop the fantastic resources of the north, we must have highways. As the previous minister stated before the committee in 1955:

A railway, if possible, when the project is deemed economically feasible.

Before these estimates are disposed of would the minister tell us what specific plan for development the government can put forward as of now, in order to open that area to agriculture and colonization.

I understand that farming is only possible in and around the Mackenzie district and I would like the minister to tell us—

Mr. Tremblay: At the North pole?

Mr. Deschatelets: Mr. Chairman, the hon. member for Roberval is trying, it seems, to make fun of me. If he is in earnest, I am prepared to stake my seat and prove to him this very night that the Mackenzie area has possibilities as far as farming is concerned. If the hon. member for Roberval is prepared to do the same, I am going to show—

Mr. Tremblay: Are you going to grow cabbages in Baffin Land?

Mr. Deschatelets: For the benefit of the member for Roberval, who is ignorant not only of the problems of the far north but of many others as well, may I tell him that farming is possible in the Mackenzie area for the simple reason that the summer season lasts three months out there. That is the reason.

Mr. Tremblay: In Baffin Land?

Mr. Deschatelets: Mr. Chairman, the minister had a word to say about agriculture—

(Text):

The Acting Chairman (Mr. McGee): Order. We got started in an amiable state of mind and I am going to suggest that members on both sides should recognize that the hon. member for Maisonneuve-Rosemont has the floor at the present time and that there will be opportunities for others to speak later.

(Translation):

Mr. Deschatelets: Thank you, Mr. Chairman.

And now, I would like to deal with a rather ticklish problem. The minister is well aware of it, because he answered a question on that point yesterday which had been put to him by the member for Joliette-L'Assomption-Montcalm (Mr. Pigeon). Today's issue of *Le Droit* contains an item with this caption:

No French.

Eskimos will have to learn English.

Eskimos, including those in Quebec, will have to learn English, according to a statement made in the house Wednesday by the Minister of Northern Affairs and Natural Resources, Mr. Walter Dinsdale.

Mr. Chairman, I would point out that in referring to Eskimos, I did not mention the hon. member for Roberval.

Mr. Tremblay: Is there any reference to Mr. Lesage?

Mr. Deschatelets: And the item continues:

The minister explained that the English language is used in the north for business and other relations, and that the government, in order to help the Eskimos to find jobs and manage their own businesses, had decided that English would be the tongue used in its schools.

Mr. Chairman, I understand the minister mentioned various reasons for the present difficult situation, due to differences in religion and the lack of bilingual teachers.

Further on the article has this to say:

Another question asked by Mr. Pigeon dealt with Eskimo schools in Northern Quebec using a textbook entitled "Canada, Our Country" and where the union jack is said to be the Canadian flag.

The minister having considered those questions did answer them yesterday, but I must say that I am not satisfied. As a matter of fact, according to *Le Droit* he answered as follows:

Mr. Dinsdale said that the book in question had not been approved, that it was not a textbook but merely an ordinary book which was distributed for supplementary reading in a classroom at Sugluk.

Mr. Chairman, a few days ago, the Secretary of State made a speech in Toronto. In that high-flown way of his, he was celebrating the virtues of the two great races which must unite and respect one another; the two great races be treated the same way. After such a lecture, I wonder if the minister would not consider changing his position. I think it is most urgent for his officers and for the minister to give those school children education in both languages, since the Eskimos are Canadian citizens and I think it cannot be tolerated that in one part of the country, particularly in northern Quebec, only the English language be taught in schools.

I urge the minister to look into that matter, to take the necessary steps in order to secure the services of bilingual people so that the young may receive their education in both languages. I urge him also to see to it—since that comes under his jurisdiction—that no books or manuals carry any detailed information that is not according to the historical truth. Of course, we have no Canadian flag and I fail to see why we should give these young people the false impression that the union jack is the symbol of Canada.

Now, Mr. Chairman, I have several other questions to put to the minister. I shall put them as we go on with his estimates. But I hope that he will bring us up to date on a matter which I feel is of capital and vital importance, that is northern development. Surely the question is whether under the estimates we are called upon to pass now the government intends to put more emphasis on the construction of a road system. Since it is the first time the minister has introduced his estimates, I would advise him above all to be as bold as he can.

From 1953 to 1957, we developed a program; we opened the way to the north and I think that everyone across the country will approve of a program for the development of that part of the country.

I must say that the amount of money we are asked to vote this year does not lead me to feel that the government puts enough emphasis for next year on the development and the economic expansion of that part of the country. We are disappointed at this lack of boldness. All through the minister's estimates we shall endeavour to put forward suggestions in order that the expansion—

(Text):

The Acting Chairman (Mr. McGee): I am sorry to interrupt the hon. member but his time has expired, unless it is agreed unanimously that he continue.

(Translation):

Mr. Tremblay: No, no, no.

(Text):

The Acting Chairman (Mr. McGee): Order. I hear an objection. The hon. member does not have unanimous consent and the Chair recognizes the hon. member for Port Arthur.

Mr. Fisher: Mr. Chairman, I want to say just a few words.

(Translation):

Mr. Pigeon: Would the hon. member permit a question?

(Text):

The Acting Chairman (Mr. McGee): The hon. member does not have the floor to yield for a question.

Mr. Fisher: Mr. Chairman, I would have been prepared to allow the hon. member to carry on but I wished to take the opportunity afforded me to say in all frankness to the minister that my colleagues and I are somewhat disappointed in his department, in that the former minister left it and went to the Department of Agriculture. I had hoped, with all respect to the present minister and his wonderful qualities, that we would have been given a new minister in this department with a tremendous amount of drive and flair. The present minister has been in this portfolio for several months so that we can make some judgment now, although certainly an incomplete one, as to whether he has revealed these qualities. This is a point not worth belabouring, but I can say we are still disappointed.

This department has been bisected, to a degree, in that we have the new Department of Forestry. As a result there have been considerable changes, and I am sure an administrative shakedown. I would like to point out to the minister that this department has probably had a more thorough investigation by a parliamentary committee than any other department of the government. The committee on mines, forests and waters, under the direction of the hon. member for Lambton

West, has examined the operations of the Department of Northern Affairs and National Resources in some cases twice and thrice over. I do not think anyone looking at the reports of that committee, including last year's report specifically in regard to the water resources branch, could come to any optimistic conclusion as to the state of this department when this government took over. The conclusion I have come to, as a member of that committee for several years, is that the administration of that department is not the finest in the world. One has only to look at the recommendations made by the committee on mines, forests and waters during the past three years to recognize that the members of that committee felt that the administration of this department was falling behind. This applies to almost any aspect of that department. We are disappointed because this department has not had an extremely aggressive minister at the head of it.

I do not wish to press this point further, but one would hope that the minister at the head of the department, as well as the senior civil servants, were possessed of enough drive and imagination to implement some of the many recommendations presented to it by the parliamentary committee. We will be watching very closely to see whether the present minister is able to do this.

The previous minister initiated the gigantic resources for tomorrow conference which is to be held in Montreal in October of this year.

I would ask all hon. members to look at information bulletin No. 1 which we received not long ago. I am sure they will realize then the tremendous scope of this conference, both in breadth and depth, in terms of background papers and material. I feel this will be the greatest conference of its kind ever held in Canada.

In the criticisms I have made previously, relating to this conference, I pointed out to the previous minister that a similar conference took place during and after the first world war. The background papers and material produced at that time were quite extensive. I have had the opportunity of studying this material while a librarian in a forestry library, and I point out the similarity between some of those original papers and the papers regarding this proposed conference. I would also mention the similarity between the proposed topics of conversation for the conference this fall, and those topics of conversation at the conference during and after world war I. This similarity indicates a lack of progress in the renewable resources field.

Mr. Chairman, may I call it ten o'clock.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Bourget: May I ask the acting house leader if we will continue tomorrow with the consideration of the estimates of the Department of Northern Affairs and National Resources, as previously announced, and then the estimates of the Department of Justice?

Mr. Nowlan: Yes, Mr. Chairman, tomorrow we will continue our consideration of the estimates of the Department of Northern Affairs and National Resources. If we conclude those we will then consider the estimates of the Department of Justice. If we conclude those, then I will discuss with the hon. members on the other side what estimates should next be called.

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

Questions

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of debates pursuant to standing order 39:

C-5 TRANS-ATLANTIC TRIPS

Question No. 164—**Mr. Roberge:**

1. Has the R.C.A.F. plane known as "C-5" made any trans-Atlantic trips in the last 12 months?

2. If so, when were these trips made, for what purpose, and how many service personnel, if any, were carried on each of these trips as passengers?

3. Were any such personnel carried to and from the United Kingdom on the trips made during the second week of March when this plane was used as a stand-by aircraft for the return to Canada of the Prime Minister?

4. If so, how many?

5. What is the cost of a trans-Atlantic trip and return for this aircraft?

Answer by: **Hon. D. S. Harkness (Minister of National Defence):**

1. Yes.

2.

Date	Purpose	Service Passengers East	Service Passengers West
(i) March 29, 1960 to April 3, 1960.	Transporting Minister of National Defence and party....	6	—
(ii) April 13, 1960 to April 16, 1960.	Scheduled flight.....	25	25
(iii) April 28, 1960 to May 8, 1960.	Transporting Prime Minister and party.....	—	8
(iv) May 10, 1960 to May 12, 1960.	Scheduled flight.....	21	19
(v) July 20, 1960 to July 23, 1960.	Transporting Minister of Finance and party.....	—	—
(vi) September 28, 1960 to October 5, 1960.	Transporting Minister of Finance and party.....	1	—
(vii) November 12, 1960 to November 29, 1960.	NATO parliamentarian tour.....	2	2
(viii) January 2, 1961 to January 5, 1961.	Scheduled flight.....	27	22
(ix) March 14, 1961 to March 17, 1961.	Service passenger transport timed to coincide with Prime Minister's return and so provide a back-up aircraft.....	11	21

3. Yes.

4. See answer to 2.

5. The average cost for gasoline and oil of a return trans-Atlantic flight of this aircraft is $1,890.

MINOR PENITENTIARY INMATES

Question No. 178—**Mr. Regier:**

1. At the time of last report, how many inmates were to be found in the Canadian penitentiaries: (a) below the age of 12 (b) in each of the ages from 13 to 20, both inclusive?

2. In the past three years, what measures have been undertaken by the Department of Justice to reduce the number of minors who are being sentenced to serve penitentiary terms?

Answer by: **Hon. E. D. Fulton (Minister of Justice):**

1. Statistics by ages are tabulated by inmate admissions. These are produced annually by the dominion bureau of statistics. The last report containing the information requested is that of the commissioner of penitentiaries for the year ending March 31, 1960 (Table 6—nature of offence by age on admission):

(a) Below the age of 12—nil.

(b) Age

13	1
14	7
15	22
16	59
17	115
18	166
19	189
20	217
Total admitted during the year ending March 31, 1960 (under 21 years of age)	776

2. This department does not have any supervision or control over sentences imposed on

convictions. However, one of the objectives of the correctional program of the department is to bring about a change in the practice of sentencing young offenders and in the facilities available for the serving of sentences so that in appropriate cases suspended sentences will be imposed and that minors serving sentences of imprisonment will be segregated.

[The following items were passed in committee of supply]:

Supply—Items Passed

POST OFFICE DEPARTMENT

Post Office—

308. Departmental administration including Canada's share of the upkeep of the international bureau at Berne and Montevideo, $2,174,216.

309. Operations including salaries and other expenses of staff post offices, district offices, railway mail service staffs, and supplies, equipment and other items for revenue post offices, including administration, $121,039,796.

310. Transportation—movement of mail by land, air and water, including administration, $64,180,536.

311. Financial services including audit of revenue, money order and saving bank business; and postage stamps, $3,379,630.

HOUSE OF COMMONS

Friday, April 21, 1961

The house met at 11 a.m.

BUSINESS OF THE HOUSE

REQUEST FOR STATEMENT ON LEGISLATIVE PROGRAM

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Prime Minister. Is he prepared now to give the house a complete listing of all the legislative measures that must be dealt with before the end of the session?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I am not prepared to do that now, but I will do so at the earliest possible date. As I said the other day, on Monday I understand there will be before the house a motion for the extension of the hours of sitting. At that time it may be that I shall be in a position to some degree to bring to the house a general résumé of the intention of the government with respect to legislation.

Mr. Chevrier: I am grateful to the Prime Minister for his answer, but we on this side of the house had hoped it would be possible to have this list before consideration of the motion.

EXTERNAL AFFAIRS

CUBA—REQUEST FOR PROTEST AGAINST UNITED STATES POLICY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs based on an article in this morning's *Globe and Mail* entitled: "UN Aghast at Kennedy's Blundering in Cuba". In view of President Kennedy's clearly announced decision to use the power of the United States to bring eventual victory to the counter-revolutionary forces in Cuba, if he considers it necessary; and in view of Canada's strong and proper criticism of intervention by the British and French at Suez and by the U.S.R.R. in Hungary in 1956, will the government now inform the government of the United States in the strongest terms possible of Canada's opposition to this proposed intervention in Cuba?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I do not know whether or not the hon. member wants us to declare war on the United States. Issues of this kind are dealt with in a little more diplomatic fashion than the way suggested by the hon. member. Canada never hesitates to put her view before not only the United States but other countries as well.

Mr. Herridge: A supplementary question, Mr. Speaker. Does not the minister consider that Canada, as a friendly nation, can bring this matter to the attention of the United States and the United Nations and make a public statement as to Canada's policy?

Mr. Green: The statement made by the hon. member and his attitude are not stamped very heavily with friendliness toward the United States. I should not care to go any further than I have. We are in a position to make representations to the United States and to other countries all over the world, and we do this from time to time as we think the occasion warrants.

Mr. Hazen Argue (Assiniboia): A supplementary question, Mr. Speaker. Would the minister say whether any representations on this situation have been made by Canada to the President of the United States?

Mr. Green: Mr. Speaker, if we were to walk into the house and, in answer to questions, explain all the representations that are made to the United States or other countries, it would not be very long before our representations would simply have no value.

(Translation):

CANADIAN NATIONAL RAILWAYS

REPORTED LACK OF MONEY ORDER FORMS IN FRENCH

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of Transport. My question is prompted by an item published in today's issue of *Le Devoir*.

Why is it that at no time has it been possible for anyone to obtain from employees of the Canadian National Telegraph service, in the Quebec parliament buildings, money orders printed in French?

Inquiries of the Ministry

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, since this matter is solely a responsibility of the Canadian National Railways, I will refer the hon. member's question to the company.

(Text):

TRANSPORTATION

ROYAL COMMISSION—REPRESENTATIONS FROM GRAIN TRADE RESPECTING REPORT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister. Has the Prime Minister received representations from the grain trade —that is, the pools and the private elevators —along the lines of the brief which they presented to the royal commission on transportation, in opposition to the abandonment of branch lines as recommended by the royal commission in its first report?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there have been a number of representations regarding the report made by the royal commission. They are of various types and kinds and deal with various phases in the report.

Mr. Chevrier: A supplementary question. Could the Prime Minister say whether among these various representations there was one from the grain trade along the lines I have suggested in my question?

Mr. Diefenbaker: At the moment I cannot say there was one that would be representative of the grain trade. Representations have been made by one or more companies in western Canada regarding the problem that would be created in consequence of an accelerated reduction of such facilities as branch lines and the like.

DRUGS

VANCOUVER—REPORTED ESTABLISHMENT OF TREATMENT CENTRE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to either the Minister of National Health and Welfare or the Minister of Justice. I wonder if the attention of either of the ministers has been drawn to a newspaper report containing a statement by Mr. MacLeod, the commissioner of penitentiaries, to the effect that a treatment centre for narcotics addicts will be established in Vancouver. If so, is either of the ministers able to give the house any detailed information upon this subject?

Hon. E. D. Fulton (Minister of Justice): My attention has not been drawn to the press report referred to, but the house will recall that a month or two ago I announced on behalf of my colleague the Minister of National Health and Welfare and myself the outline of the government's new approach to the question of the apprehension, treatment and supervision of narcotics addicts. This included the information that we would be establishing a number of narcotic treatment centres, and it is no doubt in accordance with that general outline that Commissioner MacLeod, who is presently in the west, has confirmed the decision already announced that the first of these treatment centres will be opened in British Columbia. The exact location, however, has not yet been settled, and I should be very surprised if the commissioner had stated definitely that it would be established in Vancouver. It will be in the lower mainland area.

(Translation):

NATIONAL DEFENCE

MONTREAL—PROPOSED CONSTRUCTION OF HEADQUARTERS IN PARK LAFONTAINE

Mr. H. Pit Lessard (St. Henry): I should like to direct a question to the Associate Minister of National Defence. Could the minister indicate whether it is true that the government intends to build armouries in the southwest section of Lafontaine park? While this park does belong to the crown, could the minister give us the assurance that the municipal authorities will be consulted before action is taken on this plan?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, in reply to the question of the hon. member for St. Henry, I must say no consideration is being given at the moment to building the armouries referred to.

Certainly the Montreal city council will be consulted and advised if the department should decide to build in the Montreal area.

(Text):

FLAGS OF CANADA

REPORTED RESOLUTION OF CITY OF WINNIPEG

On the orders of the day:

Mr. Laurier Regnier (St. Boniface): I should like to direct a question to the Secretary of State. It is reported in both the Winnipeg *Free Press* and the Winnipeg *Tribune* of April 18 that the city of Winnipeg has adopted a resolution to the effect that Canada should have a flag featuring the maple leaf; that Canada show her sovereignty by not borrowing from or using a portion of another country's flag, and that the federal government be advised of their decision.

(Translation):

Here is my question. Is the minister aware of this resolution by the city of Winnipeg, and what position does he intend to take in regard to this request?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I wish to thank the hon. member for giving me advance notice of his question. Here is my reply.

1. As of this morning, I had not yet received a copy of the resolution referred to by the hon. member, but I have read in the Winnipeg *Free Press* that by a vote of 10 to 8, such a resolution was passed by the Winnipeg city council.

2. With regard to the second part of the question, surely the hon. member must realize that the problem is not of my exclusive jurisdiction but is rather a matter for the cabinet, to which of course, I will report on the said resolution when I have received a copy.

(Text):

DEPARTMENT OF JUSTICE

INQUIRY AS TO DELAY IN ANSWERING CORRESPONDENCE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Minister of Justice a question based upon a return which was tabled yesterday regarding a Mr. Syrota of Sault Ste. Marie, who had written to the minister on February 19 about the invasion of his property by the R.C.M.P., according to his claim. Can the minister indicate whether the great length of time, amounting to eight weeks, which elapsed between the letter that Mr. Syrota wrote to the minister and the minister's reply was the result of a very deep investigation into the matter, or the consequence of an oversight?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the hon. member will recall that the Easter recess intervened during that period. If there was any delay I think the responsibility must be mine, caused by the fact that I spent some twelve days in the eastern and northern Arctic and there was some accumulation of correspondence. Prior to that time I was quite heavily engaged in a number of other matters. If there was any delay in my writing to the gentleman in question it is my fault rather than as the result of a delay in the R.C.M. Police completing their investigation.

SASKATCHEWAN

RESERVATION OF LEGISLATION RESPECTING MINING CONTRACTS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Prime Minister. I wonder whether the Prime Minister can report to the house on the progress the government is making in the consideration of Saskatchewan bill No. 56, and has the government yet agreed that the lieutenant governor should sign this bill?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there is nothing to report. The matter is receiving consideration, and when a decision has been arrived at it will immediately be made available to the house. There will be no unnecessary delay in this connection.

HOUSING

SECONDARY MORTGAGE MARKET—STATEMENT ON INQUIRY AS TO SALES

On the orders of the day:

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, on yesterday's orders of the day the hon. member for Welland asked whether any sales of mortgages had taken place or had been negotiated under the recently announced plan that Central Mortgage and Housing Corporation will sell mortgages held in its portfolio.

A new type of marketing has to be established. Since it is likely to be a quite important part of the total capital market, it is desirable that there be full discussions in advance with the existent approved lending institutions that may be concerned with the later operations. Accordingly C.M.H.C. is presently working on programs and procedures for discussion with other parties, which include, of course, the Department of Finance and the Bank of Canada.

As I indicated yesterday, no sales have as yet taken place and none have been negotiated under this new plan.

TRANSPORT

MONTREAL—STATEMENT RESPECTING LETTER REFERRING TO SUBWAY PROJECT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. member for Maisonneuve-Rosemont asked me a question yesterday in respect of a letter to the mayor of Montreal. I have before me just the English copy at the moment. I undertook to table the letter today and, if it is agreeable to the house, I will do so as soon as the other is brought to my office.

SUPPLY

The house in committee of supply, Mr. Chown in the chair.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

279. Departmental administration including Canada's share of the expenses of the "resources for tomorrow" conference, $1,105,390.

Mr. Fisher: Mr. Chairman, last evening my preliminary remarks had reference to the outlook for the resources for tomorrow conference which is to be held next October. I was suggesting this would not only be a landmark in the history of this department but perhaps a springboard to the future. However, the point I made earlier about the initiative and vigour of the minister was occasioned by the reaction I obtained from several people in the last few weeks on the resources for tomorrow conference.

Last week an editor of a prominent business magazine in Canada was talking to me. I asked him, "Why have you not mentioned the resources for tomorrow conference? I have not noticed any editorial comment or any indication at all of the conference." This editor of this prominent business magazine in Canada said "What conference?" I said, "The resources for tomorrow conference." I point out that these big files in the main contain material on the conference that I picked up from the secretariat. Here was a man who has not heard of the conference. He was quite willing to accept the onus; he said he had just not heard of it. I ask the minister what kind of preparation he has made for the conference when a man in a position such as this has not even heard of it, and the program has been under way for two years. The preparation has been going on that long and we are having the conference this year.

This is shocking enough to me, but during the Easter vacation I was making a tour of my riding. I encountered the president of the district council, lumber and saw mill workers union, an organization that has approximately 11,000 people working in the bush just at this particular time. It is the strongest union in the woods in Ontario. It is a militant union that carries its organization right out into the bush. It is in constant negotiation and is having conflict with many of the companies, but it is recognized as a very able organization. I could refer the minister to any number of articles in various magazines such as *Business Week, Saturday Night* and *Executive,* all dealing with the impact of this union upon this great resource industry in Ontario.

I said to the president of this particular union, "Who is going from your union to the resources for tomorrow conference?". His reply was "What conference?". I said, "The resources for tomorrow conference". He said "I have not heard anything about it. I vaguely know there is some such thing going on, but I have not heard anything about it". I said "Surely you had an invitation". He said "No". I said "Have you considered that you might perhaps get together with the I.W.A. and the Catholic union in Quebec? After all, labour is a very important part of this greatest industry we have in Canada?" He said, "It is funny; I was talking to Mr. Ladd of I.W.A. not so long ago. He did not mention anything about it. I doubt whether he has heard much about it or had any invitation".

My point is that here is an indication that this fundamental conference, which could be a springboard to the future, is really unknown by people who should have an intimate relationship with it and, so far as the labour people are concerned, should be playing a very active part in it. This is one of the disappointments about the papers that are listed in the information bulletin No. 1. There is no indication here that organized labour is playing any real part in this conference; yet wherever one turns to hear about the problems of Canada today in the export trade—and that is where our resources industries concentrate—the accusation or the criticism is often made that our wage policy is pricing us out of this trade or market, or we have not the labour where we need it; we do not have labour mobility.

It does seem strange that one should project a conference of this importance, spend a whole lot of money on it and two years in its preparation, have a secretariat that is spending a fair amount of money and giving a fair amount of leadership, and not get the information out to places and to people who could take a more positive role.

Having said that, I do not want to leave the impression that I think the basic work of the secretariat has not been sound. I have heard from provincial sources that the whole plan of the conference did not crystallize in any dynamic way until the new minister from Quebec came to the fore. I am referring to Mr. Rene Levesque. Without commenting upon Mr. Levesque's politics, I think it is about the most exciting news that anyone with interest in resources could hear that the minister from Quebec was prepared to come in, and not just drag along but to give leadership in putting this conference upon a realistic basis. I think praise cannot be too great for something like this. I know that we need such leadership in Ontario, because there is a tendency for our people in the resources field to slumber along and look at Ontario more as a little nation of our own in a resource sense rather than as an integral part of the nation. If we can be complimentary for a contribution that has been made, we would like to give that support to Mr. Rene Levesque.

Last year when I raised a question about the resources for tomorrow conference I received a letter dated August 11, 1960 from

the then minister of northern affairs and national resources. The letter contains this statement:

> To these official policy statements I would add that the conference is designed to put us—and by "us" I mean all participants—in a better judgment position in regard to the many related questions of land and water use and the conservation and development of resources in all their ramifications. It is intended to bring out for discussion all the known facts in this connection through research papers—

Then the letter goes on:

> We cannot, of course, expect the conference—given its composition—to be able to decide or even to be able to recommend clearly upon action. But we will all without any doubt be in a better position after the conference to make informed decisions about how to improve the use of our renewable resources, so that the nation can draw a higher income from them without prejudicing the supply.

Later we find this remark in the letter:

> The question of foreign ownership of capital will be considered indirectly in reviewing the sources of capital for resource development. Perhaps the conference will suggest how best to channel Canadian funds into resource development.

Now, I did ask the minister whether there was any intention of dealing with cost-benefit analysis in this conference, which is a need we have at the present time in order to get resources development. The minister's answers to questions earlier in the session indicated that cost-benefit analysis will be incidental. There are several papers that touch upon that subject and I was delighted to see that according to the schedule the second part of the conference program will include two workshops dealing with capital requirements, income and employment effects. The conference will conclude in plenary session on Saturday, October 28, with a session dealing with capital requirements, income and employment effects of renewable resources development.

This is not the time, Mr. Chairman, for any kind of philosophical analysis. However, as one who believes that planning or democratic socialism is the only future for Canada and the Canadian economy, I recognize that this conference and the approach to it is a step in that direction. For that reason we are enthusiastic about it.

This year the government created something like a national planning board, in effect, with Mr. George DeYoung as its head, called the national productivity council. I should like to ask the minister whether arrangements have been made to have the members of this council attend the resources for tomorrow conference. There is not much purpose in having an esoteric discussion unless there is liaison or some means of carrying out the recommendations and ideas that come forward in the conference. For that reason I should like to know just how much effort is to be made by this national productivity council to work with the conference and the conference secretariat.

There is another question I should like to discuss with the minister. What steps are being planned to see that the initiative that comes from the conference is not lost or dissipated? Is any consideration being given to a continuing secretariat or to making the secretariat a part of the national productivity council? It seems to me there is a very direct relationship here. I would very much welcome any information in that regard that the minister can give.

Referring to another aspect of the minister's responsibilities, I might say that in looking at the map on pages 34 and 35 of the annual report I was astounded to see that one of the roads projected there seems to run from somewhere in my constituency near Armstrong or Nipigon all the way up into northern Manitoba. I have had given to me by the minister a return dealing with the roads in northern Ontario which have been approved. I just cannot match the roads shown in the return with those shown on the map. I should like to ask the minister whether approval has been given for the complete length of the road which is shown by a dotted line running from near lake Nipigon all the way up into northern Manitoba, or whether this represents a survey only. I certainly would like to argue that in time we will need that kind of road to open up that area. However, I have not received any impression from the information I have been given that such a road is a sure thing or that the whole business has been confirmed.

I might repeat to the minister something that he has heard from a number of other members in the last few years. I am sure that one of the great disillusionments with the Diefenbaker government stems from the feeling of people in areas such as I represent, in which we have always talked about our unlimited resources, our untapped resources. They know that these lie much closer to the markets and industries of North America, and when they find that the great northern vision is prematurely focusing on the wrong places, the disillusion is immense. After all, when you have very large iron ore resources in northern Ontario; great forest resources that are still not exploited; when you have oil wells and gas wells capped in Alberta; when within 100 or 120 miles of the border you have all these natural resources that are not being exploited although these areas have been built on optimistic hopes for the future, it comes as quite a shock to have the northern vision put to you at a time when you are languishing yourself. I can only say to the

minister that this does not mean that I or anyone else would suggest to him that the responsibilities of the department in this field should be allowed to lapse. I suggest to him that if the northern vision became a southern vision it would probably have a more beneficial effect for the Diefenbaker government in the long run.

Another point upon which I wanted to touch very briefly, Mr. Chairman, concerns one sentence in the annual report of the department. This sentence refers to the standard of living, buildings and morale in the Mackenzie river area as exceedingly low. I think that is the phrase, "exceedingly low". Certain steps are being taken to correct the situation, and I should like to hear from the minister. Here we have a statement as it was provided late last year. I should like to hear from the minister why this is so.

Perhaps the hon. member for Yukon can provide us with the answer. The government has been in power now for four years, or approximately that period of time. We have had this department of northern affairs for a much longer time than that. Yet we have been told that morale is exceedingly low in a very important sector of the minister's responsibility, and it is acknowledged in the annual report. I like this kind of frankness, but I should like to have some documentation as to the reasons and to have a little more information as to the steps that are being taken to change the situation.

I have often felt that frequently parliamentary committees make recommendations that fall away and just disappear. One of the things I should like the minister to provide for me and other members who may be interested, after the minister's estimates are through, is an appraisal of all recommendations that have been made with regard to his department by parliamentary committees, and the consideration that has been given to them. I think this may be something that the committee itself should expect. I see no reason why we should not know.

I may have been off base last night in expressing the suggestion that this department had been the one most criticized by parliamentary committees. However, whether or not I was off base, I know that many criticisms have been made. Having regard to the criticisms and the recommendations, I should like to know what consideration has been given to them by the department and where they stand at the present time. As someone who took part in the deliberations of the committee for a considerable portion of the time, may I suggest that it would bring into some kind of focus what we were doing.

I should hope we could get through the minister's estimates without getting off into any bitter avenues such as those which were revealed here last night in relation to the fact that French is not taught to the Eskimos in northern Quebec. The minister gave us the information that 90 per cent, I think it was, of the children in this particular area are in the Anglican church. The only suggestion I can make to the committee as a teacher is that it is difficult enough to teach children coming from a culture or a civilization that is not as steady or as stable as our own without getting into the question of teaching two foreign languages or having to operate within three languages. I can say this with absolute conviction because, despite the fact that I took French for eight or nine years in school myself, all I can do is read it; I would not have the temerity to try to speak it.

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

Mr. Fisher: Yes.

Mr. Deschatelets: Am I correct in understanding that the hon. member said that the French language would be a foreign language in Canada?

Mr. Fisher: All I am suggesting is that the French language and the English language are foreign languages to the Eskimos. At least give the Eskimo credit for having his own language. In this sense I was not making any distinction between the French language and the English language. All I am suggesting is that there should be only one additional language. The minister has given the reasons why it should be that one. I do not know how valid they are. If hon. members are going to get worked up about this situation I should just like to ask them to recognize the fact that it is difficult at any time for students to move from their own language to one other language. To attempt to do it in two languages without having any tradition or any long existing school system built up seems to me to be fruitless.

There is one other subject that always decorates the debates on the department of northern affairs. I refer to the Canadian government travel bureau. We have had all kinds of recommendations about things the Canadian government travel bureau could do to improve matters. To any hon. member who is critical of the bureau without having seen its operations I can only suggest that he is being somewhat unfair. Within the limits of the money the bureau spends I have not seen a more effectively organized government operation. I think we get full value for the money we spend on it. The only point we should be considering at this time is whether

we should really decide to make tourism a much bigger thing. If we want to do so we must pay for it, and this is the agency that must get the money. However, I certainly argue that it is an efficient bureau at the present time, and that it has the set-up for much greater organization.

Perhaps the minister could enlighten us as to what factors have gone into any decisions about the rather limited expansion of the bureau's functions and operations, especially in the United States. I think we should all be interested in hearing what has been done in the way of making a gigantic effort in this field; and a gigantic effort means the spending of much more money than we are spending at the present time. With the interest in tourism that exists in Canada at the present time I think this effort would be worth while.

In conclusion may I say that the C.C.F. party hope the minister will rise to the challenge of his department. We have already stated that we are none too optimistic that he will do so, but we certainly wish him all the best in his efforts. I know that I and the hon. member for Kootenay West will be the first to stand up in the house and compliment him if we really feel that he has seized the opportunity he has been given.

(Translation):

Mr. Martel: Mr. Chairman, I should like to make a few remarks before the first item of the Department of Northern Affairs and National Resources is carried.

I shall avail myself of this opportunity to thank the minister sincerely for the explanations he gave yesterday, and more particularly to underline the fact that, as he said himself in his statement, his first formal duty when he became minister was the signing of the agreement between the government of Canada which he was representing on that occasion, and the provincial government of Quebec, represented by the Hon. Paul Earl, then minister of mines for the province, when the province of Quebec participated in the roads to resources program. It gives me pleasure to stress the fact, as the three roads which were the object of that understanding will be jointly built by the federal and provincial governments, with the federal government paying 50 per cent of the total building costs.

These three roads are within the limits of Chapleau riding, which I have the honour to represent in this house.

The minister also was kind enough to explain the proposed program in a general way, or at least the various divisions under his department. I should like to mention briefly in that respect, a few points which concern his department.

I shall now briefly describe the three roads I mentioned and which are to be built in the northern part of Chapleau riding. I have here a copy of the agreement signed in Quebec on October 19, 1960, which is very elaborate. I have no intention, of course, to read it fully into the official record, but I should like, if I may, Mr. Chairman, to give a description of those roads, as they are located within the boundary of my riding.

First of all, there is the road between Amos and Mattagami, a distance of approximately 118 miles. This is a new road. Some sections were started and even completed a few years ago, but they had to be widened or improved. This road goes northward from Amos, up to the Mattagami lake district, or more accurately to the Allard river, where a mining company owns a very interesting property, the New Hosco mine. That road will also serve other mines in the Mattagami lake district, like the Mattagami Lake Mines, the Orchan Mines and other mining companies which have been doing some exploratory work since 1956 in that area, which is about 100 miles to the north of the town of Amos.

The second road is a section, or a new road, should I say, leading from lake Waconichi to lake Albanel, to the north of the Chapais and Chibougamau region. The new road, 95 miles long, will stretch up to a few miles beyond the 51st parallel, on the eastern shore of lake Albanel, that is to the east of that lake, an area where vast iron deposits have already been discovered. Indeed, the whole area around Albanel lake and great Mistassini lake offers immense mining opportunities.

The third stretch is the road between the cities of Chapais and Desmaraisville.

In addition, in the northern part of the constituency, a 30-mile stretch will link up southern Abitibi with the northern part of the area.

For many years, or at least since the area of Chapais and Chibougamau was opened up, about 10 years ago, there was no connection between the two sections of that part of our area. As a result, people had to travel either by air or by road, covering over 1,000 miles, depending on where they started from in the Abitibi area. Needless to say this road will be a tremendous boon, as it will shorten the distance between the Abitibi and the Chapais and Chibougamau area to ap-

proximately 200 miles, depending of course on the particular starting point in the Abitibi.

A fourth item of interest to the province of Quebec, in the federal-provincial agreement, provides as follows:

Resource development roads in various sections of the province, the location of which will be determined by the provincial minister, subject to written approval by the minister.

This refers of course, to future roads planned for northern Quebec. I shall therefore be brief on this subject.

However, I felt it was my duty, as representative of the Chapleau constituency, to mention those three stretches of road. One of them is already under construction, between Amos and Mattagami, while the others are to be built shortly, as soon as the provincial authorities can get around to it, because the federal government has agreed to contribute as its share up to 50 per cent of construction costs.

Another program of the Department of Northern Affairs and National Resources is of particular interest to my constituents and myself. I refer to hydrometric studies, that is to say the study of water streams in James bay, north of Barraute and Senneterre, where important mining developments are under way and where a railroad is also being constructed.

The streams being surveyed in the James bay basin are the Bell or Nottaway, Broadback, Rupert and Eastmain rivers.

This study is being conducted jointly by the federal and provincial authorities. The work was started a couple of years ago, and the provincial government is at the same time making a survey of possible hydraulic resources in those rivers.

I understand that the survey program is still going on and that an office was opened by the Department of Northern Affairs and National Resources in Senneterre in 1958 or 1959, from which the people working on the survey start off in the spring, after the thaw-out.

Another scheme was also placed before the committee of mines, forests and waters last year.

I asked a question to the minister during this session concerning the Grand Canal project, as it is called in English. That project concerns the Harricanaw river.

I think that is a problem the department should be seriously considering. It should have a complete survey made of the possibilities, in order to decide whether the project would be self-sustaining in the years to come.

[Mr. Martel.]

We all know that in the southern United States, there is a problem of fresh water supply, whose solution may dangerously affect the situation in Canada, since the authorities of the state of Illinois or of Chicago are planning to divert the waters of lake Michigan. In fact, such diversion would channel lake Michigan waters into the Mississippi basin.

Of course this is an international problem, which will require the co-operation of the United States. If there were an increase in the volume of water already diverted into the Mississippi basin, south of Chicago, this will seriously affect the Great lakes, as was explained last year in the committee of mines, forests and waterways. Furthermore, that diversion would be detrimental to navigation on the St. Lawrence seaway.

Again I say this is not only an international problem but a national one. We know that if navigation on the St. Lawrence seaway is threatened or curtailed, our trade will considerably suffer as a result.

Consequently, I think it would be in order to make a complete survey of fresh water supply diverted into James bay and to the north, in view of the urgent need which might develop in the coming years, both in the United States, particularly in those states bordering on Canada, and in this country too, in the Great lakes area.

We know that the southern United States are fast becoming industralized.

I believe that when the survey is completed, we shall be in a position to establish exactly not only the fresh water needs of those states, but also the dangers involved in the diversion of more water through Chicago or south of Chicago.

Again I say that such diversion would affect the Great Lakes and the St. Lawrence seaway.

Consequently, if there is a possibility of using the fresh water running into James bay, it would perhaps be wise—I think, for my part, the project is really worth studying—that we should start working on it and try to solve it as soon as possible.

Besides, I think the department has already set up an observation post to measure the volume of water on the Harricanaw river, at Amos, and the statistics that have been compiled for several years may help survey work northward up to the mouth of that river.

Before closing, Mr. Chairman, I should like to comment on some remarks made by the hon. member for Maisonneuve-Rosemont (Mr.

Deschatelets), especially when he tried to suggest that the credit for northern vision should not necessarily be claimed by the Conservative government, but rather by the former minister of northern affairs and national resources who is now premier of the province of Quebec.

It is quite possible; I was not a member of parliament in 1953, as was the hon. member for Maisonneuve-Rosemont. However, he overlooked one point and it is this: if the former minister of northern affairs and national resources was already possessed of that northern vision, as he says, the government of the time certainly did not believe him. It was only when the Conservative government came into power that the program he was then advocating, or at least the development of northern areas was applied.

I am not afraid of saying now that, with the present minister, we are on the right course and that people up north are delighted at the greater consideration they are getting from this government.

Another point I wish to emphasize is that the Prime Minister of Canada (Mr. Diefenbaker) is quite conversant with northern problems. This is something I have mentioned during the last two election campaigns, in 1957 and in 1958.

In fact, the Prime Minister has never resided anywhere but in the northern part of this country; he knows the problems of northern Canada and he will no doubt be the best prime minister the people of the north will ever have had, because he knows their problems and tries to find practical solutions for them.

I will now close my remarks, Mr. Chairman. I may have further comment to make, but I will wait until the detailed discussion of the department's estimates.

Mr. Bourget: Would the hon. member for Chapleau allow me a question? If I understood him rightly, he declared himself in favour of a joint program of roads to resources, contrary to the views expressed by his friends in the Quebec parliamentary opposition.

Could the hon. member tell us if this joint project constitutes a violation of provincial autonomy?

Mr. Martel: Mr. Speaker, I may say that the question put by the hon. member for Levis is in the nature of a trap, because this is a matter which comes mainly under the provincial government's jurisdiction. However, the hon. member might be interested to know that action under the roads to resources program had already been taken by the previous administration, and that the present government of the province of Quebec has merely been carrying on negotiations with a view to reaching agreement with the federal government. In fact, I have here a copy of the correspondence exchanged between the two governments in that regard.

As to whether I agree with the views of the leader of the opposition of the province of Quebec, I think this is strictly a provincial matter, and so far I have been concerned only with federal politics.

(Text):

Mr. Nielsen: Before embarking on a discussion of the minister's estimates I should like to thank him and the officials of his department for the co-operation they have given me last year and, indeed, during the whole of the time I have been here. Every suggestion I have made to them has been carefully considered, and I am very grateful to them and to the minister. I should like to express the gratitude of my constituents for the results that have been experienced, since the majority of the suggestions I have put forward have been accepted.

I intend to discuss the estimates of the department under three particular headings; the political development of the north in a non-partisan sense, the material development and the human development. But before doing that I want to comment on the remarks of the hon. member for Maisonneuve-Rosemont, who spoke last night on the estimates of this department. Never have I heard so much drivel or so much senseless discussion concerning the north. The hon. member for Maisonneuve-Rosemont did not make one constructive remark last night, not one accurate statement concerning those areas above the 60th parallel. He made all sorts of show in producing submissions made to the Gordon commission by those two territories, and by quoting sketchy verbal excerpts from these representations the hon. member for Maisonneuve-Rosemont attempted to garner credit for his party for the tremendous increase in expenditure and activity which have occurred north of the 60th parallel since the present Prime Minister came to power.

The fact of the matter is that the hon. member for Maisonneuve-Rosemont does not know the north, and he is certainly not familiar with the activities of the department in the last three years. If he was, he would know that while the government which he supported was in office, in 1956-57 the

estimates of the Department of Northern Affairs and National Resources amounted to $39 million. If the hon. member were familiar with these things he would know that in the following year the estimates amounted to $53,700,000; these figures are approximate. He would also know that as soon as the government changed hands in 1958-59 the estimates of this department rose to $83 million.

Mr. Deschatelets: Would the hon. member permit a question at this point? He was referring a moment ago to the credit of the Department of Northern Affairs and National Resources in 1956-57. Does he know that in addition to this credit we should add also the tremendous expenditures of the Department of National Defence, the Department of Public Works—

Mr. Grafftey: Order. On a question of privilege, the hon. member rose, he said, to ask a question, but he is not doing that. He is making a statement, and that is why I am rising on a question of privilege—

An hon. Member: It cannot be a question of privilege.

Mr. Deschatelets: It is true I made the statement, but I was asking the hon. member to comment on that statement to see whether he was aware of this.

Mr. Nielsen: Of course I am aware of it, Mr. Chairman. But the same story could be told about the estimates of the Department of Transport, the estimates of the Department of National Defence, the estimates of the Department of National Health and Welfare or, indeed, of any other federal government department which operates in the north. All of them have shown increases in their estimates in ratios comparable to those I am citing now. Activity has increased at least fivefold among all the federal departments in the north. It is very notable if one lives there. One cannot help but notice the difference between then and now.

I will continue the statistics I have been giving and tell the hon. member for Maisonneuve-Rosemont, in case he should have overlooked this, that in 1959-60 the estimates of the department jumped to $89,898,000—almost $90 million—and this year they amount to $81,500,000, though if forestry is added they amount, as the minister has told us, to $3 million more than last year. So that from 1956-57, when the estimates of the department stood at $40 million, they have increased to almost $100 million. In fact they have more than doubled, the figure standing at $90 million last year.

This is reflected in what one sees in the north as compared with what one did not see in the past. I do not want to be unfair regarding what has been accomplished. There were accomplishments by the previous government in the north, and I will say that the accomplishments were misdirected. I will give credit to the previous government for initiating the Gordon commission study, because that study provided the basis for some of the planning that was done so matters could go ahead when the government took office. Do not forget, however, that the Gordon commission plan, such as it was in so far as roads and other developments in the north were concerned, was predicated on a 25-year program. That program has been consolidated and accelerated into a program for some five to ten years. I do not know the exact time that has been allotted to the program by the department, but undoubtedly the minister will enlighten us. It certainly has been accelerated a good deal.

As a result of living in the north myself I am able to enlighten the hon. member for Maisonneuve-Rosemont by telling him that a good many things have occurred in the north in the last three years under this government that do not appear in the Gordon commission report. In my own riding of Yukon, and the story can be duplicated in respect of the Northwest Territories, we have the construction of a new school at Dawson city, a new school and teacherage at Mayo Landing, a health centre at Haines Junction and Watson Lake, a new school at Whitehorse, two $1 million hostels at Whitehorse, a new school under construction at Whitehorse, a new federal building under construction at Dawson city and houses and apartments built for federal civil servants in the Whitehorse area, none of which appear in the Gordon commission report. There has been an amazing and beneficial change in the Central Mortgage and Housing Corporation legislation which has allowed building to proceed under that legislation in the Yukon where none was in existence before this government took office. Not one single unit was built previously under the National Housing Act in the Yukon, yet this year I anticipate there will be 50 to 70 units under construction or completed under N.H.A.

Let us focus the attention of this committee on the road program in the north. The hon. member for Maisonneuve-Rosemont has attempted to garner credit for the plans of this government in connection with the road construction program now going ahead in the north for the development of our resources there. During the fiscal year 1957-58 some $3.8 million was spent on construction and development of roads in the north. In 1959-60 some $8.2 million was spent in this regard, and in 1960-61 the sum of $6.2 million was

spent. Included in the estimates of the department for this fiscal year is provision for an expenditure of $8.4 million. The average amount provided for this fundamental development purpose by the government is $6.5 million over these years. Contrasting this with the record of the previous administration, where the average was $1.5 million, I suggest to the hon. member that is a very telling comparison.

The attack by that hon. member last night regarding the Liberal planning program referred not to a planning program at all. The planning had to be done when the government changed, and that planning, I must say, has gone ahead, contrary to the opinion of the hon. member for Port Arthur, under the direction of the civil service staffing the department who are devoted, dedicated and altruists of the highest order. The deputy minister is a man who I consider the government, and that department particularly, is fortunate in having at the reins of this important department of government. I have not seen dedication like his for many years. I certainly hope that he stays with the department because I am sure, with his qualifications, the attractions for employment outside the government service must indeed be tempting.

I want to associate myself with only one remark made by the hon. member for Maisonneuve-Rosemont, on a matter introduced by the minister, and that is the wish that the hon. member for Mackenzie River will be back with us in this house within the shortest possible time to give us the benefit of his knowledge of the affairs of the Mackenzie river area.

I would point out one further discrepancy in the remarks made by the hon. member for Maisonneuve-Rosemont for which he can perhaps be excused, when he said last night and I use his words taken from page 7 of the translation appearing in last night's *Hansard*, as follows:

> —farming is only possible in and around the Mackenzie district—

I would like to inform him that there is a good potential for agricultural development in the Yukon as well as in the Mackenzie district. In keeping abreast with developments in this regard I can tell him also that under the very able leadership of the Minister of Agriculture, who is extremely familiar with the problems confronting northern development, a committee has been set up of representatives from his department, the Department of Northern Affairs and National Resources and other federal government departments, interested, for the specific purpose of assessing that agricultural potential in the Yukon and devising a method of land allotment so that the development can go ahead. I might say this is the first time that this sort of attack has been made in an endeavour to proceed with the agricultural development in my riding.

I think the remarks made by the hon. member for Port Arthur concerning the minister were quite deplorable. He said he was disappointed in the change of ministers. I might say that I was most disappointed that the hon. member for Port Arthur saw fit to be critical of the minister in this rather personal fashion. I certainly do not know this minister as well as I knew the previous minister, but since I have been in the house I have had several discussions with him, and must say that from my observations he has certainly been one of the most active and virile of the members taking part in the activities of this house.

I must say that this is contrary to an interview I read in the Toronto *Telegram Week End* magazine of July 16, 1960 with the hon. member for Port Arthur. According to that article the hon. member believes that too many parliamentary backbenchers often unwillingly, lead an aimless and frustrating existence as time-servers, merely voting "yea" or "nay" at the call of their party. The hon. member went on to say, according to the article, that he himself is so dissatisfied with life as a member of parliament that he intends to go back to teaching school after the next election is called. While I think this is perhaps—

Mr. Fisher: Could I ask the hon. member to identify the article? If it is the one I think it is I might say that I wrote it myself and do not think it can be attributed to someone else.

Mr. Nielsen: Yes, I was referring to an article which appeared in the Toronto *Telegram Week End* magazine for July 16, 1960, which has quite a complimentary picture of the hon. member for Port Arthur appearing on the front.

Mr. Fisher: I would like to inform the hon. member that I wrote the article myself and was paid for it.

Mr. Dinsdale: You are showing your usual modesty.

Mr. Nielsen: I simply used the article to point out to the hon. member for Port Arthur that the industry displayed by the minister, certainly from my observation of his activities in the house, is not consistent with the views of the hon. member in respect of the activities or non-activities of most hon. members in this house. When it comes to taking part in activities in this house on behalf of my own

constituents, I can tell the hon. member that I devote all my time to those activities.

Let me pass to the political development of the north. In this respect I believe that some considerable thought is about due. I am not suggesting for a moment that considerable thought has not already been given to this problem, but I think a concentrated second look at the political development of the north is required. I think I heard wrongly, or that the C.B.C. reported the minister wrongly during the Easter recess, when in a speech before the Yellowknife board of trade he was reported as advocating that the Yukon and the Mackenzie river districts could be best combined in order to create the eleventh province of Canada in due course. I do not believe the minister intended to say that. As a matter of fact I do not believe he did say it. Perhaps the C.B.C. had him all wrong on it.

Of course this is practically, politically, historically and geographically impossible in my view. I feel that the Yukon, with its traditions, its history, its geography and its economy must be created a province by itself when the time comes. I am not suggesting that that should be forthwith, but certainly the economic development seems to be progressing at a pace which makes this look possible within a decade.

Here again I must disagree with the hon. member for Maisonneuve-Rosemont and other hon. members, particularly the hon. member for Welland, for one, the hon. member for Renfrew North for another and the Leader of the Opposition, for a third, who have been ridiculing the vision, and using the word "vision" with derision in their voices. Not one of them realizes the pace and the tempo that the north is feeling at the moment as a result of this government's activities there. As a direct result of the development road program there I can say that exploration activity has been increased to the point where we in Canada—I do not say we in the Yukon —have the world's largest known tungsten deposit, which was discovered in 1958 and which is slated for production in the fall of 1962. This is a strategic metal of great importance. Before this discovery we produced no tungsten in Canada. We will now be in a position to supply, for instance, the whole of the United States demand for tungsten. This discovery was the direct result of this development road program. Therefore I suggest to hon. members that they do not underestimate the benefit to the whole of Canada of the program which this government is following.

The minister will likely enlighten us on the statement reported by the C.B.C. concerning the combining of the Mackenzie district and the Yukon. There are many reasons why such a suggestion is completely incompatible with practicality.

Another matter that I wish to raise for the minister's attention is the point that the Northwest Territories, as hon. members know, being divided into three districts, namely the Mackenzie river district, the Keewatin district and the Franklin district, is an extremely large area indeed. The hon. member for Mackenzie River has as his riding only the Mackenzie river district. The whole of the eastern mainland above the 60th parallel, the Keewatin district, and the whole of the Franklin district comprising all the Canadian archipelago and the islands of the far north, are without representation in the House of Commons. There are Canadian citizens disfranchised; civil servants, members of the Royal Canadian Mounted Police, missionaries and a substantial population in those two areas who should be entitled to be heard in this house. I have had correspondence from such organizations as the Baker Lake citizens association, who have asked that this be brought to the attention of hon. members so that some solution might be found.

In my view the solution does not lie in placing the responsibility for representing those people in the hands of the hon. member for Mackenzie River. He has his hands full now in representing his own vast area. I believe the solution lies in the creation of an additional electoral district to take in this area so that Canada may be truly 100 per cent represented. It certainly is not now when we have this vast area with, as I say, a substantial population without a member in this house.

I would also draw the attention of the minister to the fact that neither the Yukon nor the Northwest Territories has Senate representation. The solution of the problem here requires the amendment of the British North America Act in order to qualify the Yukon and the Northwest Territories for Senate representation. Both these matters were covered by bills which I introduced in the house last year. I would judge by the number of bills on the order paper this year it would be very unlikely that, should I introduce the legislation again this year, it would receive any consideration.

I feel that the department should attempt to extract from its very busy agenda some time to develop a political blueprint for the development of the north. It should develop a formula such as that which was developed when Manitoba was created a province in the years prior thereto. I am sure the minister, who remembers the history of his province, will recall the formula which was developed there. When the population increased by

2,000 an additional seat was added to the council. When the number totalled 20 or 21, I forget which, the council was converted into a full-fledged provincial legislature. Some such formula should be worked out for the Yukon territory so that when the economy of the Yukon does reach the stage where we are ready to take on the responsibility of a province, a blueprint will be there and we shall be following an organized course.

I am very grateful to the previous minister for following the suggestion which I put before him as soon as I came to the house of increasing the number of members of the Yukon legislative council from five to seven. This provided for more equitable representation on the legislative council in the Yukon and also enlarged the council so the minister could accept the suggestion of creating an advisory committee on finance, which will be formed after the next election in the territory this year. This advisory committee on finance is the first tottering step toward self-government in the Yukon, in that the commissioner will now be obliged, mandatorily, to consult with the advisory committee before he prepares his budget.

I am sure hon. members realize that in the Yukon Territory the council is wholly elected, as contrasted with the Northwest Territories where four members of a nine-man council are elected and the other five are appointed by the federal government, so that in the Yukon we are substantially ahead, probably because of our historical development, of the Northwest Territories in the development of our political affairs.

The indemnity of our council members should be mentioned here, I believe, because it is much too low to attract the calibre of individual that you want to attract to this legislative body. The present members of the council are extremely idealistic people; if they were not they would not stay around long for the indemnity they get. Some of them are not going to run again simply because too much time is taken from their own businesses and the remuneration is really only nominal. I feel that the indemnity of council members should be increased.

The members of this committee will wonder why I am bringing this point to the minister's attention. The reason is simple. The members of the Yukon legislative council, as a body, cannot introduce or pass legislation which has anything to do with the expenditure of funds. This legislation must all be introduced by the commissioner, who is the personal representative of the minister in the Yukon Territory. The same situation prevails, I believe, in the Northwest Territories.

I want to mention, for want of a better or less inflammatory term, the bureaucratic rigidity of the administration in the Yukon. I do not make these remarks deprecatingly at all, but in the hope that I may get through to those in the administration who may read these remarks, and in the hope that the minister might devise some method of educating those who are responsible to him for the administrative functions of his department in the Yukon. I have no reason to suspect that the same conditions do not prevail in the administrative centres of the Northwest Territories. The bureaucratic rigidity of which I speak is a mental state more than anything else. It is a state in which all suggestions and ideas, unless they are those of the administration, are immediately received in a negative fashion. They are not received in such a way as to give the impression that the administration there wants new ideas. They are not fondled and developed if they are good or discarded if they are not good. These ideas are simply looked at with immediate prejudice and greeted with the remark, well, the department has this plan or that plan and anything less than that is not worthy of the consideration which obviously the person making the proposal has given to it.

I want to make it clear that I do not advance these remarks deprecatingly at all. However, there is a certain outlook toward these things by the administration which I feel has to be changed. If this rigidity continues it can only retard development. As a specific example in this regard I might cite the load limits in the Yukon Territory. The administration, without any real consideration of the matter, at one time imposed arbitrary limits on Yukon roads which affected the outflow of mining products from those areas. This was done without any study by the administration and, I believe to the credit of the minister's predecessor and his officials, without consultation with the department here. Nevertheless this is the type of thing—

The Chairman: I am sorry to interrupt the hon. member, but his time has expired.

Mr. Deschatelets: We have no objection to the hon. member continuing if he has only a few more remarks to make.

The Chairman: Is there any objection to the hon. member continuing?

Some hon. Members: Agreed.

Mr. Nielsen: I thank the committee for its courtesy. I should like to say also that such rigidity on the part of the administration discourages settlement in these northern areas. In this regard I would point specifically to the hundreds of applications for land in the Yukon. When an applicant decides he would

like a piece of land upon which to settle, it sometimes takes years to get through all the red tape and obtain a lease. There are cases in which it has taken as long as six or seven years from the date on which the applicant applied for a plot of land before he has been told he can have the land or he cannot.

I realize that the whole organization has been altered in respect of this matter and I must say that, having read the outline of the reorganization, I consider it to be a great advance over the previous procedures. Nevertheless some impetus must still be given to eliminate these undue and retarding factors that exist in the present policy. For instance, I am sure the minister is aware of the fact that a price of $16 per acre has been set on agricultural land. Here in Ontario this might seem to be a meagre amount for an acre of agricultural land. However, in the north, where growing is a problem anyway, I am given to understand this amount is about five times greater than the same acre of land would cost in northern Alberta or northern British Columbia. Agricultural development will not be achieved when the price of land is completely out of reach of the settlers who are going into this high cost area in an attempt to farm.

The salary and position of the commissioner, I think, should come under the scrutiny of the department. You cannot expect the commissioner of the Yukon Territory, whoever he might be, to accept the responsabilities involved in handling millions and millions of dollars on a salary of $13,000 per year. This position calls for a highly skilled excutive, and the salary should be commensurate with that position and should be such that we can attract the most capable men in industry to undertake the position of chief administrator. Certainly he should be at least at the deputy minister level.

The ordinances that are passed by the Yukon legislative council are all prepared here in Ottawa. This is an absolutely unacceptable process to have the ordinances prepared 4,000 miles from the seat of the local legislature. There is only one solution to that problem, and that is the creation of the position of law clerk for the Yukon legislative council. I believe that if the department looked hard enough and set an attractive enough salary, they would have no difficulty in getting a capable man to fill the position.

There is one other thing in connection with the political development of the north that I should like to mention. Under existing procedures the commissioner alone has the complete management of the territorial civil service, which is fairly considerable. The territory is partly administered by the federal civil service, under the minister's department, and partly by the territorial civil service. This whole system of the territorial civil service should come under the closest scrutiny. Certainly it should not be under the management of one man, because the system is subject to abuse if this continues to be the case. I am not suggesting that there has been any abuse, but all members can immediately see the possibility of playing favourites by hiring friends and the possibility of taking out vindictiveness by firing enemies. The complete absence of any cohesive civil service organization in the territories simply means a denial of the fair application of those principles which we all like to think exist under the civil service commission of Canada. I feel that some miniature civil service commission is required in the Yukon so that we can develop procedures of a competitive nature and put job opportunities in the territorial civil service on a fair basis.

Another reason for a change in this situation is that there are no grievance procedures at all for employees of the territorial civil service. If the commissioner does not feel that he wants to accept the representations of an employee who feels himself to be aggrieved, he is not obliged to do so. There is no recourse for the employees whatsoever.

I have now concluded my remarks concerning the political development of the territory. I have other remarks to make on the material development and on the human development in the north. However, I feel that I should at this stage allow other members of the committee to rise. I will bring these other matters up for consideration at a later stage in these proceedings.

Mr. Carter: Before I come to the questions which I wish to bring before the minister I want to say a word in reply to what has been said by the hon. member for Yukon, who has just taken his seat. From time to time we see in the papers reports about the slow progress being made in the House of Commons, and every so often the leader of the house will tell us that we have spent so many days on this item and so many days on that subject. I wish to put on record here the statement that if we are going to play politics with every question that comes before the House of Commons, that situation can be the only result. If the government or members of the government party introduce political notes, they must expect to have replies made to them. The hon. member for Yukon said that this party had derided the vision. I think he said that he had heard nothing but derision of the vision. I have not been aware of any derision of anything by members of this party, certainly of no derision of the vision.

But if there has been derision of anything it has been derision of the ballyhoo which this government has put forward with regard to the northern vision.

Mr. Lambert: Your own leader lead you in it.

Mr. Carter: How could members of this party deride the vision? The vision did not originate with the Tory party or with the present Prime Minister.

Mr. Nielsen: That is rot.

Mr. Carter: It is not rot. The vision originated with the party that created this department; I refer to the department that is before us now. That is something that was done since I have come to this House of Commons, and that is not so very long ago. If there had been no vision there would have been no Department of Northern Affairs and National Resources. The hon. member should not allow himself to get carried away with the idea that there was no vision until the Conservative party took office. We do our work in a quieter and more effective way, without all the publicity and the ballyhoo which amounts to words and nothing else. If the hon. member wishes to make invidious comparisons may I say that one cannot just do it on the basis of dollars and cents. We must take into consideration the circumstances that prevailed at the time the allocations were made and when this department was set up. It had to be organized. The groundwork had to be done and plans had to be laid. That was done. Progress was made, and I am glad to note that progress is continuing, but let hon. members opposite not think that the north did not exist until they took office.

Mr. Charlton: Nobody would have known it.

Mr. Nielsen: I think the hon. member would wish to be fair. I gave to the previous administration large gobs of credit—more than I think it was warranted—in connection with planning.

An hon. Member: He was not listening.

Mr. Carter: The people who live in the north are Canadians, as are the people who live in other parts of Canada, and they have every right to be provided with the public facilities and social amenities that are enjoyed by other Canadian citizens. In so far as industrial exploration is going on, that too is all to the good. But when it comes to industrial development of the north, my hon. friend should know that the north suffers from the same handicaps from which we suffer in the maritimes. One of those handicaps is the high cost of living. The cost of living must be high because we are so far away from distribution centres. Because we are far away from distribution centres we are also far away from markets.

If the industrial development of the north is going to be done by private enterprise, my hon. friend must know that nearness to markets will be one of the most important factors that will be taken into consideration. As long as a product can be manufactured in a locality where it can be done more cheaply and with lower transportation costs, and therefore can be marketed at a cheaper price, these developments are going to take precedence over development of the north. That is just pure economic realism. That is the difference between the party which I represent and the government supporters. We wish to be realistic about the matter. We do not wish to create any great fantasies in people's minds. We wish to tell them the plain facts and let them use their own common sense.

I wish to congratulate the minister on his promotion to the treasury benches. I also wish to compliment him on the way he has introduced his estimates. The minister's department does not touch my constituency very closely. In my riding we have a few Indians, but they are fully integrated and are not in receipt of any special benefits from any government department. I think the service from which my riding derives the most benefit is the roads to resources program. I wish to commend the government for instituting that program. It has been extremely beneficial to my province and to my own riding. I hope that program will be continued and extended.

Historic sites come under the minister's department. I should like to remind him that since we have had nearly 500 years of history, we have more historic sites in my province than there are in any other single province. I should like to see these historic sites preserved. At one time the French were in possession of my province and there was a French capital. There are many old sites such as the headquarters of the various people who came out with charters to colonize the country. In all these places there are sites which should be preserved.

In my own riding there is an old lighthouse which has been dismantled and which I think perhaps is doomed to fall down or be taken down unless something is done about it. Personally I should like to appeal to the minister to have this lighthouse preserved. It is not only a relic of an old structure; it is also a famous landmark. A diagram of it was printed on all the mariners' charts right up to the time of confederation. Whether that has been done since confederation I am not in a position to say. However, it is an historic

site. It is located at Rose Blanche in my riding. It is a very famous landmark, easily recognized from the sea, and a great help to mariners in identifying their landfalls. It has a double purpose. In that respect it is utilitarian, as well as historic. I hope the minister will look into this matter and do something to enable this old structure to be preserved.

My main reason for rising today is to bring to the minister's attention the situation with regard to seals and whales. We commonly refer to a seal fishery and a whale fishery, but as everybody knows they are animals and not fish. Therefore I presume they come under the minister's department.

Mr. Dinsdale: Mr. Chairman, I think I should point out to the hon. member that they actually come under the Department of Fisheries. Even though they may be classified as animals and mammals, they are dealt with by the Department of Fisheries.

Mr. Carter: I thank the minister for that information. The reason I raise this point now is that, I suppose quite wrongly, I was under the impression that a few days ago the minister replied to a question put by the hon. member for Kootenay West, or an hon. member on this side of the house, about the seal fishery. I thought the minister replied to that question and I inferred that these matters came under his department.

Mr. Dinsdale: At that time I referred the question to the Minister of Fisheries, who has since dealt with the matter in the house.

Mr. Carter: Thank you very much. In that case I will reserve my remarks on this subject until we come to the proper item.

Mr. Coates: Mr. Chairman, my remarks at this time will be associated in the main with the tourist industry aspect of the department. In this regard may I join the many hon. members who have spoken previously in praise of the efficiency of the Canadian travel bureau and the energetic head of this bureau, Mr. Alan Field.

I should like to quote a few passages from the annual proceedings of the Canadian tourist association at its convention of 1960. In this publication the association brings to everyone's attention the fact that Canada is still showing a deficit in our tourist trade with our neighbour to the south. The association also points to the fact that this deficit continues to be quite substantial and that every effort must be made to reduce this deficit as much as possible. On page 2 of the convention proceedings the association points out that travel expenditures by United States citizens outside the United States have increased by more than 300 per cent in the past decade, and that Canada has unfortunately been able to attract only 23 per cent of this business.

After having attended meetings of the mines, forests and waters committee for two years, before which officials of the Canadian tourist association and others interested in the tourist industry in Canada have appeared, I know that a great many things have been accomplished by this government in an effort to attract greater numbers of United States citizens to Canada. One particular accomplishment was the erecting of a sign, "Great White Way", in New York City last summer. I would appreciate hearing the minister's comments on what the government feels has been accomplished through this unique effort in endeavouring to attract tourists from that area to Canada.

The Atlantic area is tremendously interested in new ways and means of attracting tourists to Canada, and especially to our particular area. The tourist industry is big business in the maritimes, and I feel it is one area where we can give leadership, and have already given leadership, to the rest of Canada in our methods of attracting tourists. In this regard the Atlantic provinces tourist bureaux have worked very closely with the Canadian travel bureau, and I feel they have accomplished a great deal in this matter of attracting tourists. I feel that tourist accommodation facilities in the Atlantic area are second to none in Canada. I am quite certain that the tremendous number of repeat visits by tourists is an indication of the high class accommodation that is available to them in this area. In my province of Nova Scotia this has, in part at least, been the result of the very progressive program initiated by the provincial government in assisting tourist operators to provide the necessary plant and accommodation facilities for those who visit our area.

Mr. Chairman, may I call it one o'clock?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Coates: At one o'clock I was bringing to the attention of the committee the very progressive nature of the legislation which has been made available to the tourist industry in Nova Scotia and showing how this legislation had assisted to a large extent in making Nova Scotia one of the leaders in Canada in the type of accommodations which are available to tourists. This does not mean that Nova Scotia is satisfied that the accommodations available are the best that can

be made available. Indeed, in the field of restaurant operations there is still much that can be done and I am sure all restaurant operators not only in Nova Scotia but throughout Canada will be very pleased with the provisions of the Small Business Loans Act and the benefits which will accrue to them as a result of the facilities provided by this act.

Earlier in this debate we heard the hon. member for Burin-Burgeo express his opinion of the action which this government has taken through the department of northern affairs. In effect, the hon. member said we were doing no more than was done by the former Liberal administration. My own opinion is that many people in Canada will find a great many holes to pick in that argument. Certainly in my own province the roads to resources program put into effect by this administration has proved a boon to the provincial government in providing highway facilities in areas which otherwise would not be able to receive those benefits.

To bring matters closer to home, in my own constituency of Cumberland the roads to resources program has been of great assistance to the provincial government in the construction of two highways. One of them, known as the Tidnish shore road, is just about complete at the present time and makes available to tourists some 20 miles of the most beautiful salt water beaches in Canada. When completed this highway will cost approximately $1,100,000 half of which will be paid by this government through the department of northern affairs. To say that this is no more than was done prior to 1957 is just being unrealistic and such a statement is not justified by the facts.

This is not the only important road in my constituency. There is another highway known as the Parrsboro shore road. As a result of the roads to resources program the provincial government has been able to undertake the reconstruction of this road and its eventual paving at an estimated cost of close to $600,000. This will be of tremendous benefit to the people of the town of Parrsboro and to those who live along the Parrsboro shore. This is an outstanding piece of highway from a scenic point of view. It has been called by many in our area the little Cabot trail because the type of scenery along this shore line is very similar to that found in Cape Breton. No doubt, when this road is completed, there will be a tremendous influx of tourists into the region. These are tourists who apparently would never be as willing to travel along this beautiful highway from Diligent River, to Port Gerville to Ward's Brook, to Advocate Harbour and Apple River, if it were not for the fact that it were paved. This represents the type of thinking, now prevalent in this department, which results in tremendous benefits to every individual in Canada.

Along the same line, we could consider park sites and picnic and camping grounds which are now available to tourists of the type that, until this government put into effect this type of legislation, could not come to Canada because of the lack of money necessary for accommodation in motels or hotels. The popularity of this legislation is indicated by the tremendous use being made of these facilities. We still do not have enough of this type of facility, but one should consider how few we would have if we had gone along as the former Liberal administration did until 1957. Certainly the provinces could not have done this on their own or, if they had, could not have done it to the same extent. In my own constituency, as in other constituencies in Nova Scotia and the rest of Canada, there are a greater number of facilities available which attract tourists and perhaps induce them to stay longer. In this respect the government should be complimented highly for its progressive thinking.

There is in my opinion the need for a second national park on the mainland of Nova Scotia. Cape Breton has probably as beautiful a park as exists in the Dominion of Canada. It is a park with tremendous facilities, in respect of which this government has done a tremendous amount of work. This park attracts and is attracting a great number of tourists who come to Nova Scotia. It is my feeling, however, that mainland Nova Scotia has areas which would be very attractive to tourists. Certainly I would not want to prevent anyone from going to Cape Breton and witnessing the grandeur of the Margaree valley and the Cabot Trail. These places are beautiful beyond compare. I feel everyone who goes to Nova Scotia should certainly make an effort to visit Cape Breton to take in the scenic wonders. However, I do feel that there is room for another national park in Nova Scotia and would suggest that there is an area in my own constituency which would lend itself to this type of development. I would suggest the department give consideration to the establishment of such a park in the Wentworth-Westchester area of Cumberland. This area has many of the features one would look for in the establishment of a national park, and I would recommend it to the minister for consideration.

I might point out that there have been camp sites and picnic grounds established there during the past year which have been of tremendous value to tourists, for which the federal government can assume at least part of the credit. There was a very fine motel

established there recently. It was built partially through assistance under the legislation made available under the Stanfield government. In this area we have the very finest skiing accommodation available in Nova Scotia. The eastern part of Canada has a very short summer tourist season and I feel consideration should be given to the possibility of developing tourist attractions during the winter months. I feel that the Wentworth skiing area should be enlarged. If this area were made part of a national park this could be done with a good deal of benefit resulting to everyone in Nova Scotia who is interested in skiing. Since the government has indicated its interest in the physical fitness of our people, I would suggest that there is no better way of providing outdoor recreational facilities than by developing skiing areas.

I would point out that in Nova Scotia, as in many areas in Canada, particularly the smaller communities, no facilities exist for our younger and older citizens to partake in outdoor physical fitness programs except, perhaps, in hunting, fishing and hiking. It may be that the government in considering the different proposals put forward will be willing to give consideration to the establishment of an act under which moneys could be made available to these areas to assist in the construction of recreational centres.

In my home town of Amherst there exists an armoury and a beautiful new arena. In these two buildings there is room for many recreational activities. Many towns in my constituency have neither an armoury nor an arena and, if we could assist these communities in the construction of some sort of auditorium where recreational activities could be carried out, it would be of great benefit to the physical fitness of our citizens.

I would like to add at this time that the citizens of Nova Scotia have benefited from the programs of the Department of Northern Affairs and National Resources since 1957. Prior to that time I am sure many citizens were hardly even aware that such a department was in existence. As a result of the establishment of the roads to resources program and the camping ground-picnic site program we have witnessed a tremendous difference in the interest and feeling of our citizens toward this department. I am sure that the present minister, as the former minister, will do everything he possibly can to assist those areas of Canada in taking advantage of their national resources.

Last evening the hon. member for Port Arthur made some comments about the minister to the effect that he was disappointed, and that the minister had been long enough in this position to indicate how aggressive he was and where he was going to take this department. Usually the hon. member for Port Arthur is fairly responsible when speaking in this house, but on this particular occasion I would say that he allowed his tongue to carry him somewhat away in expressing his regrets over the ability of the present Minister of Northern Affairs and National Resources.

I think it would be very irresponsible of the minister were he, after a few months, to start making grandiose statements about what he is going to do as the Minister of Northern Affairs and National Resources. I think he is being most responsible in assessing what can be done, how best it can be done, and doing so in a workmanlike manner. I think the hon. member for Port Arthur will find that it would be difficult indeed to find a more aggressive individual than the present Minister of Northern Affairs and National Resources. Let us give him a little time to prove this and not knock him before he has had a real chance to prove his ability. Thank you very much.

Mr. Herridge: I apologize for disturbing the Minister of Mines and Technical Surveys in his afternoon nap. I will also find it somewhat difficult to speak because when I look a little to my right and up I am reminded of the gargoyles on Westminster Abbey. However, I want to devote a few minutes to these very important estimates. I see I have stirred up an hon. gentleman over there—

Mr. Comtois: The hon. gentleman is quite wrong. My eyes were closed, but I was listening to the very impressive speech of the former speaker.

Mr. Herridge: I apologize most sincerely if I thought the hon. gentleman was asleep.

Mr. More: The hon. member just thought he was being smart.

Mr. Herridge: I have started off by stirring up some people and I must say the chamber is somewhat more alert now than it was a few minutes ago; therefore I have accomplished something in that respect. But I do want to say a few words on these very important estimates. They range over a very wide field and affect the lives of a large number of Canadians who live in a way different from that of the majority of us. The administration required in the area which concerns most of those people is somewhat different from the normal administration of a department, and I am quite sure it tests the ability of the administrators because of the different circumstances and the different conditions under which some sections of this department operate.

I suppose it is only fitting and proper that I should congratulate the minister on his appointment, although I do so with a degree

of envy because I have been in the British Columbia legislature and this house for 20 years. I am just as close to becoming a cabinet minister now as I was when I started.

Some hon. Members: Hear, hear.

Mr. Herridge: I am very glad I have some agreement on one point, anyway.

I think everyone realizes that the minister comes from a family with an excellent record of public service in the district in which he lives. He has distinguished academic achievements and his record of public service in the welfare council and the Legion and as a university teacher is well known. He had a very distinguished and courageous record during the war period, which we all recognize. Some people think the minister is modest but, you know, he is well able to blow his own horn because I have stood on the street corner and heard him do it. In the very best sense of the word, he is a good musician and I hope he plays in the orchestra of parliament to some public advantage in the days ahead. For some 10 years the minister was a conscientious and industrious private member of this house. With his appointment as minister in charge of this department he faces the test as to his ability as an administrator and, we trust, a creator in so far as policy is concerned and as an innovator because I think a person with these qualities is required in a department of this kind. We hope the minister accepts the challenge that his present position offers him and as the years go by demonstrates his continuing courage in facing new and difficult situations and his understanding of the requirements of the moment.

I wish to make a few comments. Does the member wish to say something?

Mr. Drysdale: We are still waiting for the hon. member to say something.

Mr. Herridge: I shall get to the point. We shall take full advantage of the estimates of the Minister of Mines and Technical Surveys to let him realize that his estimates are of great importance in this house.

Mr. Drysdale: Try to deal with these, first.

Mr. Herridge: I shall want to get his views on the export of power in the future.

Mr. Comtois: We should like to get the hon. member's.

Mr. Herridge: They have already been stated publicly. I want to say a word or two about the resources for tomorrow conference, which we all support and of which we are very glad to see this minister in charge. We are happy that he has found time to promote it. However, I do want to complement the remarks made by the hon. member for Port Arthur by saying that every opportunity should be given to all sections of the community to make a contribution to this conference by invitation, and this includes labour and some other sections of the community that have not been invited to date. I know it may appear that a conference such as this may become, shall I say, too cumbersome and top-heavy, but I think every opportunity should be given for wide spread participation and women's organizations should be given an invitation to attend this conference if only as observers because it is a conference that will decide matters of importance to the country as a whole.

I wish to say a word or two about the travel bureau and our tourist industry. Recently I read an article in a paper entitled "Canada's Ailing Tourist Industry; Can It Be Cured?" I think we all agree that during recent years the tourist industry has been somewhat of a disappointment; that Canadians have been spending more abroad, particularly since 1957, than United States tourists and others have been spending in Canada. I am not going to blame the government entirely for that; it is a reflection of economic conditions in the United States as well as here, but I do suggest that some serious consideration will have to be given to this subject and to increasing, shall I say, the tempo of Canadian appeal abroad. I noticed recently that Premier Bennett provided a haven for one of his former ministers, the former minister of agriculture, as tourist publicity representative in San Francisco. He was a very successful salesman of Carnation milk prior to being minister, and I hope he is just as successful in selling British Columbia as a place for tourists to visit. In this connection, I simply want to conclude my remarks on this point by suggesting that the Kootenays are often overlooked in the advertising which the minister's department directs to tourists. Mention is made of the coastal areas and the Okanagan, but I think the minister will find I am correct when I say there is much less reference to the beauties of the Kootenays. I should like him to take action to correct this situation because my constituents who are interested in the tourist industry have made this complaint for a number of years.

While I am on my feet, I should like to say a word or two about the historic sites and monuments board. The hon. member who spoke before me made a reference to it, and I intended to make a reference to the subject when the particular item was under discussion. However, I might as well do so now. I am sure the minister is interested in assisting in the preservation of historic sites

and monuments that are worth while and to which the federal government can properly make a contribution.

I want to bring to the attention of the committee the excellent work that has been done by the Kootenay historical society in the preservation of the steamship *Moyie* at Kaslo, B.C. This is the last of the stern-wheelers that have plied the lakes of the interior since 1884. The residents of Kaslo have gone out of their way to do what they could to bring this vessel ashore, place it on a foundation and make a museum out of its interior. Their efforts have been rewarded by an increasing number of tourists who want to see one of these vessels that sailed the lakes for so many years. The residents of this area have received assitance from the federal government, and quite recently they applied for some further assistance. I merely mention this in the hope the minister will give further consideration to their pleas for the further assistance necessary in completing the preservation of this vessel and its caretaking in the future.

I should like now to say a few words with respect to the concern of the rod and gun clubs of the interior over the possible developments on the Columbia and the effect of these dams on fishing in the area. This has been a subject of considerable discussion. Quite recently I might say all the rod and gun clubs of the interior met at a conference in Vernon. These clubs represent 3,200 members and they unanimously expressed their opposition to the building of the high Arrow dam. They have also given very careful consideration to the effect of these dams, should they be constructed, upon the fish and wildlife of the area.

This resolution was adopted by the West Kootenay rod and gun clubs association, by the interior rod and gun clubs association and by the B.C. rod and gun clubs association. I read it because these men have had a number of committees working which, with the co-operation of the game branch of British Columbia, have been studying the impact of this flooding upon wildlife and fishing. This is the resolution:

Whereas the impact on wildlife of Kootenay river and Columbia river development of power and storage dams will be tremendous and the adequate correction of the problems created will be much beyond the financial ability of the fish and game branch of the department of recreation and conservation of the government of British Columbia,

Therefore be it resolved (1) that a complete and detailed biological survey be carried out jointly by the Canadian wildlife service and the fish and game branch, B. C. department of recreation and conservation, to determine the ecological effect on wildlife of each and all proposed power and storage dams, the report of such survey to be publicly available; (2) that anticipated problems in wildlife management as indicated in the survey be planned for, rectified, and financed as part of said developments; (3) that a definite proportion of the value of the power produced be set aside and other benefits such as navigation, irrigation, etc. (including downstream benefits) produced from said developments for wildlife management and recreational facilities in the Kootenay and Columbia river basins in Canada.

[Mr. Herridge.]

We realize that this study cannot be undertaken without co-operation between federal and provincial agencies. I do urge the minister to give consideration to this problem because it is of great concern to a large number of persons interested in preserving wildlife and fish in the southeastern portion of British Columbia.

I should like to refer briefly to an answer the minister gave in reply to one of my questions some days ago with regard to the Arctic islands. I had mentioned that Commander Low planted the flag on Ellesmere island and took possession of that island and the islands of the north in the name of the Dominion of Canada. The minister indicated that my knowledge of history was somewhat inaccurate and that this taking possession had somehow been accomplished before. In order to refresh the minister's memory, I should like to read to him the terms of reference given to Commander Low:

The expedition had three objectives:

(1) to establish the Royal Northwest Mounted Police (R.C.M.P.) as the law and order agency in the eastern Arctic;

(2) to take formal possession of all the Arctic islands in the name of King Edward VII and the Dominion of Canada;

(3) to gather information on the health of the Eskimos, the geology, botany and other resources, and produce topographical surveys of the areas visited.

Then, there are more detailed instructions given. However, according to my reading of Canadian history and a searching of the record, I find that is the first occasion on which, under instructions of the federal government, the commander or an expedition took formal possession of all the Arctic islands in the name of Canada. If I am wrong I wish the minister would let the committee have the source of his information because, in a very moderate manner, he corrected my statement the other day.

Mr. Drysdale: Will the hon. member indicate the document from which he is reading?

Mr. Herridge: Yes, it is an extract from the book "The Neptune" which was written in connection with the voyage of the *Neptune*.

I should like to refer to another matter. In *Hansard* of July 6, 1956, page 5691, I outlined the part Dr. L. E. Borden, who is a personal friend of mine now resident in Victoria and a relative of the late Sir Robert

Borden, had played in establishing our claim to the Arctic islands. Then, on August 11, 1956, I had the honour, on Dr. Borden's behalf, of presenting to the house an original proclamation taking possession of Ellesmere land and all the adjacent islands. This important document is now in the archives bound in red leather, if any of the newcomers to the house wish to see evidence of this proclamation, they will find it there.

Mrs. Borden wrote an article in the *Canadian Geographical Journal* entitled "Northward 1903-04". Since this article appeared a further development of the utmost importance has occurred. I am sure hon. members are all aware of the contribution that Vilhjalmur Stefansson, consultant, polar studies program at Dartmouth college, Hanover, New Hampshire, has made in relation to scientific work in the polar regions. Upon reading Mrs. Borden's article, he wrote her the first thing next morning because of his book "Cancer, Disease of Civilization?" published in 1960. I quote:

> This was the first cancer search among the northern Canadian Eskimo ever formally directed by the Canadian (or any North American) government.

He has written to mention this matter because at the time and since then Dr. Borden never received credit for undertaking the first cancer research with respect to the Eskimos and making a report on that research to the government of Canada, which research has been confirmed by the later experience of the department of national health and this government. In fairness to this unusual work done by Dr. Borden at that time I want to quote briefly from two letters from Dr. Stefansson. He writes as follows to Mrs. Borden on February 5, 1961:

> Your letter of 31 January is both a relief and depressing. When I read your "Northward 1903-04" I had a sinking feeling that I had failed to give due credit to Dr. Borden for an Eskimo cancer search on the *Neptune* and now I am, though absolved of personal guilt by your letter, nevertheless depressed by the story which is sad news that accidentally, through parsimony, or deliberately, his scientific work, and that of others, was lost or suppressed. If published with the rest of the *Neptune* report in 1906 then Dr. Borden, Commander Low, and the Canadian government might have had the credit for an important pioneer research on the incidence of cancer—and I am sure his cancer report, which your letter summarizes, cannot have been the only notable thing that would have been established by the publication of his findings.

Then he goes on to say this:

> Monday I shall be sending to you an inscribed copy of "Cancer: Disease of Civilization?" You will find that in this title the "?" is meant to be conspicuous, and you will see how consonant Dr. Borden's findings are with the rest of the Eskimo testimonies, all the way from southwestern Alaska to southeastern and northeastern Canada, and how well Dr. Borden deserves to have his name at the head of the list—if only I had known enough to place it there!

The letter is signed by Dr. Stefansson. I make this reference because I think it is only fair. As I said on July 6, 1956, the accomplishments of this expedition have largely been buried, lost sight of and forgotten. Here I have further evidence of the good work undertaken by this expedition, first of all in claiming the Arctic islands on behalf of Canada, second in surveys and third in botanical research. Dr. Borden produced the first botanical survey of the Arctic islands. Now we have proof that he was the first one to write a report on cancer research with respect to the Eskimos on the North American continent.

I bring this matter to the minister's attention because I think it is only fitting and proper that a gentleman of these accomplishments, who is still living in Victoria, should be recognized and his work brought to the attention of the House of Commons and the country.

(Translation):

Mr. Pigeon: Mr. Chairman, I wish that the minister would suggest to the historic sites and monuments board of Canada that they put up a monument on the grounds of the College de l'Assomption, or a memorial plaque on the century-old part of the building, in memory of Sir Wilfrid Laurier who was a student there.

Sir Wilfrid Laurier was of the 22nd promotion. He entered the college in 1854 and left it in 1860.

Founded in 1833 by the Rev. François Labelle, parish priest, and by doctors J. B. Meilleur and J. C. Cazeneuve, the College de l'Assomption has given the church and the state many prominent figures, such as Sir Wilfrid Laurier, one of its most renowned former pupils, Sir Louis-Amable Jette, lieutenant-governor, and, among members of the clergy—let me mention only a few—Msgr. Charlebois, Msgr. Lamarche and the present superior, Msgr. Langlois, P.D.

May I quote from the records of the College de l'Assomption, in which I find the following:

> After the general election of 1900, . . . the superior of the college sent a telegram of congratulations to Sir Wilfrid Laurier. Obviously the latter was very pleased and he answered without delay—

I have here a photostat of the letter he wrote:

> Ottawa, November 10th, 1900
>
> Dear Mr. Villeneuve,
>
> Among all the congratulations I have received on the results of the general election, none pleased me more than the ones coming from my alma mater. I am always proud of having been a student at the College de l'Assomption.
>
> Yours truly,
> Sir Wilfrid Laurier.

I feel therefore that a monument, or else a plaque affixed to the hundred-year old section of the College de l'Assomption would remind the people of L'Assomption, and the country as a whole, that Sir Wilfrid Laurier was educated at that college.

I express that request with the conviction that it will be taken into serious consideration by the historic sites and monuments board of Canada.

I wish now to refer to a series of questions which I put to the present Minister of Northern Affairs and National Resources concerning Eskimo school children of northern Quebec and of other areas in the north. He answered among other things:

—English is the language of instruction in the schools established by the department of northern affairs for Eskimos generally. This has been the practice in northern Quebec as well as the Northwest Territories since the first departmental school was established in 1949.

Mr. Chairman, may I add that that situation was created and has existed since 1949, in other words, under the Liberal administration of which the member for Laurier (Mr. Chevrier), as minister of transport, was a member, as was the present premier of Quebec Mr. Jean Lesage, as minister of northern affairs and national resources and who was therefore chiefly responsible for that situation. I wanted to remind the house that such was the kind of vision he had at that time.

Those are the only comments I had to make.

(Text):

Mr. Granger: As a member from one of the great northern territories—in as much as my district includes Labrador, it is needless to say that I am greatly interested in the estimates of this department. I should like to begin by congratulating the minister on his appointment. As time goes on I trust that he will not forget the vision because, as I have said before in this chamber, far from deriding the vision I agree wholeheartedly with the scriptures where it is written, "Where there is no vision the people perish". As a matter of fact, the record of history shows htat almost every great endeavour could never have been carried through to fruition without vision and the courage and faith which must accompany it. When any new thing is started it must be done, by virtue of its newness, with inadequate knowledge and insufficient evidence. Vision therefore is of tremendous importance.

Northern development is important to Canada. Vast as is our territory, our population basically is strung out on a ribbon along the southern border. If we are to develop into the really great and powerful nation which we can and which I am sure we will become, it is necessary to keep northern development always to the fore.

With regard to the authorship of the vision, I agree with the hon. member for Burin-Burgeo, who pointed out that northern development had its roots in the previous Liberal administration. In so far as the vision which began some years ago is carried on and augmented, it must receive our support.

Perhaps I may be forgiven if I again refer to holy writ with respect to the youthfulness of the present Minister of Northern Affairs and National Resources. I think of a text which in my mind couples him with the hon. member for Kootenay West. The text is, "Your young men shall see visions and your old men shall dream dreams".

My criticism of the vision is that it has not been broad enough. The vision of the present administration has been too narrow in its beam. It has been a northwest vision, rather than a really broad northern vision.

I make of the new minister the request which I made of his predecessor, that he beam northern development broader so as to include Labrador to a greater extent. Nowadays Labrador is very much in the news and I need not remind hon. members of the vast developments which are taking place there at Carol lake, lake Wabush, the Twin Falls power development, and so on. However, these developments are largely a result of provincial vision and the foresightedness of Premier Smallwood.

Labrador is a great part of the north and its wealth is now beginning to be recognized. I would ask the minister to take into serious consideration the possibility of building federal roads and airstrips in that great territory, which eventually will be recognized as a veritable treasure house of Canada. Before it can properly be developed and before its tremendous potential in respect to the tourist industry can be developed, a number of airstrips and roads must be built. We must build a road around the coast and a road linking the interior with the north shore of the gulf of St. Lawrence.

With respect to the Eskimos who live in Labrador, as hon. members know Eskimo affairs in Labrador are administered by the provincial government with assistance from the federal government.

I should like to request that the federal government give the same per capita assistance to Labrador Eskimos as it gives to Quebec Eskimos. According to figures tabled in the house, the Quebec Eskimo receives federal assistance to the extent of $400 per person. I think that when the sum total of federal

assistance to the Eskimo in Labrador is taken into account it will be found that he receives much less; perhaps less than $250 per person.

This is something to which I ask the minister to give very sympathetic attention and, if possible, as soon as practicable make available to the government of Newfoundland financial assistance for the Eskimos of Labrador to the same degree as that assistance is made available to the Eskimos of Quebec.

I hope, of course, that Indians will receive the same treatment as Eskimos. While on the subject of Eskimos I should like to pay a tribute to the missionaries of all faiths who are carrying on great work amongst the Eskimos and Indians of Labrador. Their dedication, self-sacrifice and invaluable work in connection with these people is very great indeed. There is really no way of measuring its great worth.

I should like to bring to the attention of the minister something which I mentioned last year. I refer to the desirability of having a monument erected to the last of the Beothics, the original inhabitants of Newfoundland. The last Beothic was Mary March, and I believe her place of burial is known. It occurred to me that perhaps we could erect a monument in the Terra Nova national park to the last of that tragic race. I think that would be appropriate. It would be a token of remembrance to a race of original Canadians which has completely disappeared.

There is another matter which has been brought to my attention by my constituents in Gander, the desirability of a golf course in the Terra Nova national park. The Terra Nova national park is in the constituency of the hon. member for Bonavista-Twillingate. His riding and mine are adjoining. The people of Gander are very interested in a golf course for the Terra Nova national park. Perhaps it is not quite fair for me to ask for a golf course in the Terra Nova national park especially for the benefit of my constituents in Gander, but I think a golf course in the Terra Nova national park would be a considerable attraction to tourists. I hope the minister will keep this in mind.

I would also ask the minister to keep in mind the question of the road to Eastport through the national park. I think a survey was carried out in connection with this road. I hope the survey will be completed in time for the road to be built perhaps late this year as a part of a winter works program. This road is used extensively by my constituents as well as those of the hon. member for Bonavista-Twillingate.

Another matter I should like to mention is the general encouragement of tourists to visit Newfoundland and Labrador and the possibility of extending existing steamship services and adapting one of them for the use of tourists in Labrador.

Labrador is a great and unknown territory. I am justly proud of it and I think more people should have the opportunity of seeing it. Gander itself is a logical place for a centre of tourism, and a ski-run would probably encourage tourists to come to central Newfoundland and would make it more attractive to them.

To return for a moment to the question of Labrador, as I said earlier it is not only a treasure house of the north, or a treasure house of the province of Newfoundland, but it is a treasure house of Canada. I should like to repeat that there is a great need for opening up this vast territory, which to some extent is one of the last unknown and unspoiled areas in the world. Certainly it is to the advantage of Canada as a nation to have Labrador opened up by road and air through the building of airstrips. I think this work should be begun as quickly as possible, particularly the building of airstrips, followed by the building of federal roads.

I am sure it would be a sound investment and an investment which would pay off literally in dollars and cents over the years. It would be a great Canadian project which would be good for Canada as well as for Labrador. I hope the minister will consider this, though it is admittedly a big item, in the light of what northern development really is, a huge undertaking challenging the imagination and requiring courageous action.

Mr. Bigg: It is always a great privilege to stand in this chamber and speak a few words, but this is particularly the case when we are able to congratulate a new and young minister. We in the party perhaps know better than most, the hon. gentleman who now holds office as Minister of Northern Affairs and National Resources, and we have every hope that he will bring new lustre to the vision. Far from the vision not being broad enough I am sure it is only a matter of getting enough appropriation to carry out the plan which he and his ministry have in mind for the development of the north country.

I also represent a great frontier constituency in northwestern Alberta and our main problem up there is transportation. Perhaps unfortunately, our whole district is within the provincial boundaries and for this reason neither the new minister nor his department can take the initiative in providing roads to resources. This is probably not too well understood, but I want to put it on record because it is the case; it is only where a province makes overtures to the dominion government that we are able to assist them in building roads in

the province. The district of which I am speaking is some 60,000 square miles in extent and in the northern half roads are almost non-existent. Transportation is essential to any orderly development of the north country. The most important object of building a good road is, of course, to reduce freight rates into the north country. Without such reduction the rate of development is bound to slow down. I know that every co-operation will be given when the provincial authorities seek to put in a road, preferably an all-weather road, to serve the district surrounding McMurray.

The resources in the north have not been touched. In my opinion there are several parts of this region which should be opened up, areas closer than the far reaches of the Canadian shield. I refer to Wood Buffalo park and the Thelon game reserve. At present we are unable to prospect for minerals in that part of the country. It may have been in order at one time to restrict prospecting for minerals in the parks but I think that is unnecessary in Wood Buffalo park. It is a very extensive area and the usual reasons for not prospecting—interference with the beauty of the park or with wildlife—do not apply in this case because the 15,000 or 20,000 buffalo that have their habitat in this park do not live in the area where the prospecting would be done.

We have opened up the park for the clearance of timber. This was instituted under the former administration and I do not intend to go into that question at the present time, but I must say I was not happy at all about the methods used to take this timber out. I understand the timber is over aged. If it can be taken out for the good of the economy and for the good of the park, I see no reason why the minerals should not be prospected for and removed as long as this does not interfere with the natural beauty of the park or the safety and security of the animals.

The Clearwater river area is also very rich in natural resources especially those likely to prove of benefit to the tourist industry. Some of the finest big game hunting in the world can be found in there; some of the finest trophys, the antlers from elk, moose and deer, have come out of the Clearwater river area. But, again, we cannot go into this area without a proper road. I cannot sufficiently emphasize the necessity of pressing for a suitable all-weather road into the McMurray area and I look to this ministry to give every co-operation to the provincial authorities when they are ready to take this initiative.

I should like to congratulate the department for assisting in providing picnic shelters along the various roads of Canada. Wherever you go you see these fine facilities. I do not think the part which the federal government has played in providing the shelters is sufficiently well known and I want to take this opportunity to express my personal thanks. I have used them often myself, and I know they are much appreciated.

I think a larger appropriation should be granted in respect of our national parks so that more employment might be provided for our high school and university students, these fine young boys and girls who are seeking to continue their education and improve their capacities. These young people are going to provide the most valuable natural resource we have in this whole Dominion of Canada and I should like to see a much larger appropriation made in respect of our national parks to provide jobs for as many of them as we possibly can.

I should also like to ask the minister if he can explain the reason for having the R.C.M.P. member dropped from the Northwest Territories Council. As an ex-member of the force I can speak with some knowledge of this matter. It may be misunderstood throughout the ranks of the serving members of the force why a senior officer should not sit on this council, because the prestige of the force, as every Canadian knows, is of paramount importance in the north country. I should like it to be made as clear as possible why this official is no longer required or needed on this council. This is a personal matter and not intended as criticism but as a personal observation.

May I say I would not be in favour of the withdrawal of mounted police detachments from outlying posts in the north country. I know that every young member of the mounted police wishes at one time or another to serve in the north. He wants to be on detachment duty. He wants to have the responsibility for getting to know the natives and of establishing that very special and responsible relationship with the natives which has been traditionally part of R.C.M.P. life and work in those areas in the past. If there is any thought of bringing in outlying detachments and centralizing them in any southern posts, it is my opinion that it will not work. It will not work as far as the morale of the mounted police is concerned and I do not think it will work as far as the natives themselves are concerned. It takes years to get to know these people and you cannot get to know them sitting in Fort Smith or Frobisher Bay. One must mingle with the natives and understand their thinking to be of any use at all to them in standing between the native's way of life and the doubtful advantages of the white man's civilization.

The minister has just returned from the north country and I know that he will now

be in a much better position to make decisions in that regard. I think it is very dangerous for someone to sit in Ottawa and make decisions without going first into the Arctic to acquire an understanding of the situation there. I think very careful planning and consideration of the many human resources which exist in the north country must take place before this vision can be successful, as every Canadian hopes it will be.

Mr. Baldwin: Mr. Chairman, if the hon. member for Port Arthur is not yet dejected and sorry because of the harsh strictures which he passed with regard to the minister, possibly I can say a few more words which will cause him to understand the situation.

The northern affairs and national resources portfolio is a difficult one. With deference, it is my submission that it is not possible for any one man to place himself in possession of all the facts regarding the various projects which are normally attended to in this department, as well as the special projects, one of which was mentioned by the hon. member. I refer, of course, to the resources for tomorrow conference. I would suggest this is a department of government which is tremendously important and complex, and will require very considerable time and effort to master. I am sure the hon. member for Port Arthur will not mind my saying that sometimes we feel that his party considers that achievements are measured by the mileage of speeches, and success, by the amount of noise and confusion. I say quite sincerely to the hon. member that the present position to which his party has now descended is a good criterion that this is not the way to gain the esteem of the people of Canada.

The hon. member for Maisonneuve-Rosemont took it upon himself yesterday to deliver the usual strictures and jeers with regard to the northern development program of this government. I would suggest this stems from the attitude on the part of hon. members of the official opposition, and is recognition of their dismal failure to do those things they should have done which are so important to have been done at the proper time which was, I suggest, while that party was in office.

I have been living in the north for almost one third of a century. I include my own district of Peace River in the north. I do not believe that these developments will take place suddenly and with great rapidity but that we must establish a foundation and move from one position to another. This is precisely what the present government is doing. I have driven along the Mackenzie highway which, during the course of last year, was extended to Yellowknife, and have seen dozens of cars carrying tourists looking for a land of opportunity with the feeling that somewhere in the north there is that area where they can find themselves in a life different from that to which they have been accustomed. It is the bettering of the means of transportation that will lead to this particular achievement.

The hon. member for Maisonneuve-Rosemont tried to disparage this government's achievement while, at the same time, tried to horn in on those achievements by stating that they stemmed from the efforts of the previous government. In support of that contention he cited certain statements which had been made by Mr. Lesage when he was the minister of northern affairs and national resources. I have read the statements made by Mr. Lesage to a parliamentary committee in 1955, as set out by the hon. member, and have come to the conclusion that they are no more than a generalization of policy. It is like saying that one is against sin and believes in motherhood, only more so. At page 7 in the English translation of the speech made by the hon. member, in *Hansard* of yesterday, he quotes Mr. Lesage as follows:

> Mr. Chairman, I have given an outline of our policy to cope with the human problem of economic development in the north. I do not believe our plans lack imagination, vigour or aggressiveness.

That statement may be so. All they lacked was action.

The hon. member for Maisonneuve-Rosemont made some mention of the Great Slave lake railway project. I would like to deal with this subject in the time remaining at my disposal.

I recall a statement made by the hon. member for Laurier when he was speaking on the resolution for the establishment of the sessional committee on railways. At that time he queried the delay on the part of this government in initiating this plan to construct this railway, which had been announced in 1958 in the speech from the throne. He was suggesting that this government was slow in consummating this project. I suggest that any delay which may have taken place in the construction of this very essential, important and vital project can be laid squarely at the door of the previous government. I have had in my possession for some time information with regard to this particular project but have not made use of it for the simple reason that so long as the royal commission established by the government to inquire into this route was in operation the matter was sub judice.

This commission was set up under terms of reference dated some time in May or June of 1959. Its deliberations were completed, to the extent that a report was forthcoming, toward the end of last session, and

consequently nothing could be done last year. This year when parliament reconvened there was contained in the speech from the throne a statement to the effect that a location survey would be made of the western route. I take that statement to indicate, as I feel most individuals will, that the government has accepted the majority recommendation of that royal commission and has decided on a western route for the construction of this railway. If I have enough time left I propose to give the reasons why this is a proper decision.

The hon. member for Maisonneuve-Rosemont made reference to a brief filed by the commissioner of the Northwest Territories with the Gordon royal commission. I read that brief and feel that it was well laid out, well buttressed by facts, statistics and information. As I read the brief, it was specifically and definitely in favour of the construction of this railroad in so far as it dealt with the establishment of a northern development program hinged on transportation. In regard to the construction of this railroad it contained recommendations that a route commencing at Grimshaw and going to Peace river should be adopted. So far as I can find out, up until two or three years ago, this is the only route that had been ever deemed acceptable.

In support of this I would refer to a document or a pamphlet—I think it is called "Canada's New North"—which was put out by the department of northern affairs in 1947, I believe, under the very capable direction of Dr. Camsell, who had a most adequate and informed knowledge of the northern situation. In this particular pamphlet reference was made to this question of the railroad to Great Slave lake. The report took cognizance of various suggestions which had been made in the past and then went on to say it repeated and accepted the fact that the only logical and proper route was the one from Grimshaw. This is the one going from the Peace river country, the western route. All others which had been considered with regard to this particular project had been found to be lacking in so far as the principles of economics and engineering are concerned. Therefore, so far as I can see, up to 1955, when this brief was filed before the Gordon commission by the commissioner of the Northwest Territories there had been no other alternative really considered seriously in so far as this rail route was concerned.

I should say this. In the last 35 years thousands of people have settled in the area from Grimshaw north on the express understanding that this railroad would be built, and that when built it would go through the territory of the Peace river country north from Grimshaw and into the Northwest Territories and Great Slave lake, following that particular route.

During the course of the hearings of this commission it was my privilege to act as counsel for the boards of trade and the chambers of commerce of the Peace river country and to ask people who lived in that area to come forward, or their children, to give some indication as to the reasons which had prompted their settlement in this area. As a result I received hundreds of letters—in fact, I could safely say they ran into thousands—from people who had settled, or whose fathers and mothers had settled in this area, on the specific and distinct understanding that when this railway would be built this would be the route which would be chosen. Consequently, it came as a very distinct shock when toward the latter part of 1957 or early in 1958 it became apparent to many people in our country that serious consideration had been given to another area and to another route. From what I have discovered I am satisfied that this change in planning came into existence or was considered sometime between the latter part of 1955 and the early part of 1957. I think I have ample evidence for stating this, and it is demonstrated in part by these points.

During the hearings of the Manning royal commission as to the route of the railway to Great Slave lake evidence was given by a man called Denney, of the Denney Logging Company, who stated that in 1956 when he was considering applying for timber limits in Wood Buffalo park, which is the park to which my hon. friend from Athabasca made reference, he had been told by one government official that this railroad was definitely planned to go through Wood Buffalo park, which was the eastern route. His evidence also was to the effect that there were also other government officials, probably more highly placed, who had given him some information, but when pressed on examination he refused to give those names.

I might say here, Mr. Chairman, that the man who gave this information to Denney, a man who is called, I think, Evans Essex or Essex Evans—at this time my memory fails me as to his name but he was a government official; I am told his last name was Essex—held a position of some substance in the park. In the fall of 1956 he left his position with the department of northern affairs and became manager of this United States lumber company, the Denney Logging Company. At the same hearing a pamphlet was presented consisting of maps and sketches which dealt with the future development of Forth Smith, which lies in the vicinity of the eastern route. This publication clearly established on one

particular sketch that a railway line was projected to go through Fort Smith, and showed evidence of yards and a station which were planned for Fort Smith. This document came out some time in June or July of 1957 and could only have been prepared on information gathered together and obtained over a period of many months preceding it. It clearly indicates just what government thinking had been in the months prior to the summer of 1957.

Finally—this is the third point that I shall present to the committee—although I have others—in 1957, the railway companies, obviously acting in connection with government understanding and no doubt on a decision to which the government of that day was privy, dispatched an engineer for the purpose of considering various routes, but instead of directing his attention to the route which had been the western route first planned and understood to be the one which would be chosen, this engineer directed a lot of his attention to a survey of the eastern route. For this reason, so far as I am concerned, I am satisfied beyond any reasonable doubt that the Department of Northern Affairs and National Resources, at that time under the administration of Mr. Lesage who has now gone on to greater rewards in the province of Quebec, decided to abandon the people of the Peace river country, forget the promises that had been made to them and, under some kind of collusive understanding with the railway companies, build this railroad along the eastern route. The result of this, of course, would have been to leave the railways to charge whatever they thought the traffic would bear.

Mr. Deschatelets: Will the hon. member permit a question at this time? Would the hon. member be able to substantiate his allegations or his assertions with any documents or any publication from the government in office at the time?

Mr. Baldwin: This is all strong circumstantial evidence. All of the facts of which I have spoken can be found by an examination of the transcript of the proceedings of the Manning royal commission, as to the route to Great Slave lake, which are to be found in the library. The three specific facts to which I have referred are mentioned. If the hon. member wishes, I might be able to assist him in finding them.

As I was starting to say, Mr. Chairman, my belief is that this would have been a fine thing for the railway companies and if I were a railroad man I might have said that this was the route to choose. There would be no competition and they could charge what in their opinion the traffic would bear. Again, it would have benefited one or two companies and a few individuals who stood to gain by the choice of this eastern route, but it would have left betrayed the many thousands of people who, as a result of the promises made over a period of years, had reason to expect that when this railroad was built it would be built through the Peace river country.

I mentioned something about logging operations in Wood Buffalo park to which the hon. member for Athabasca also referred. I want to make it crystal clear, Mr. Chairman, that I have no constitutional objection to what can be established as a reasonable amount of logging being done in that park according to proper logging practices. However, I do believe I am entitled to take exception to all the shenanigans that occurred with regard to this particular project.

In the first instance, the berths in respect of which this logging was undertaken were berths which were given by way of order in council following certain amendments to the National Parks Act. Two years ago, I believe it was, I had occasion to comment on that procedure in the house. I said that in my professional opinion there was very great doubt as to whether these orders in council were valid. It may well be that the departmental solicitors have given opinions to the contrary. I have been able in the past to substantiate my professional opinion, at times, against that of the departmental solicitors. Until I have been shown to the contrary it is still my feeling that there is a great cloud of uncertainty and doubt about the validity of these orders in council.

In the second place, these particular orders in council had the effect, when implemented and when certain assignments had been given, of granting to two corporations, one of which was a United States corporation which had recently come into Canada, the entire rights with respect to more than 1.5 billion board-feet of merchantable timber in this park. I believe that this amount constitutes almost the total amount of merchantable timber in the park. Now, this United States firm came in with machinery which, I am told, was not suitable for the purpose for which it was brought here. The company had difficulty in meeting its obligations and probably had some difficulty in meeting its commitments to the government.

For the life of me I cannot see why, if we are going to do any logging in our national parks, we should have to import a United States firm to do it. I feel that all this was done to lend strength and colour to the reasons assigned in justification of this eastern route. It was done in the spirit of the-public-be-damned and constituted a grave

infraction not only of the spirit but the letter of the law in connection with the operation of our national parks.

Before I leave this subject may I state that the preambles to these orders in council giving reasons for the allowance of this exploitation set out that the timber in these areas was largely mature and over-mature timber. This issue came up before the Manning commission and there was filed with the commission a thesis by a man named Thorp, a gentleman who had been employed for some years in the national parks, which he had written in connection with his admission to the professional foresters' association in British Columbia. I do not have sufficient knowledge to interpret this brief but it was interpreted to the distinguished members of this commission as constituting a complete negation of that theory. In fact, the professional forester who gave evidence interpreting this thesis to the commission said that there was no larger percentage of mature and over-mature timber in this park than there was in any of the other areas east of the Rocky mountains.

Probably this is all water under the bridge now, Mr. Chairman, and I am compelled to bring it up only by reason of the suggestions which have been advanced by the hon. member for Laurier and the hon. member who spoke yesterday. These hon. members were critical of the achievements for which this government has been responsible in connection with northern development. I might add that the people in my part of the country will always regard with esteem the action of the Prime Minister and this government in permitting this commission to hold hearings so that we would have an opportunity to ventilate the facts. It has always been my belief that given a just and proper case with strong evidence, and a determination to pursue it, justice usually results.

The commission has now decided, two to one, in favour of the western route. This is a good decision and I am not going into the detailed reasons for it. The report is there for all hon. members to see. The decision of the government to implement it is a wise and proper decision. Immediately after the estimates were passed in December of this year appropriating money for the surveys to be made, the machinery was set in action. Since then a great deal of work has been done. I am informed by what we in the north call moccasin telegraph that the results which have so far been achieved have been quite remarkable and more than justify the decision. Along this route adequate supplies of gravel have been found to be used as ballast. There is more than sufficient lumber from which ties can be fashioned. It has been discovered, as we have always maintained, that there are large amounts of merchantable timber along the western route far in excess of the amount that might be found along the eastern route, even including what could be found in Wood Buffalo national park. The attention which has been directed to the Peace river area and the north generally as a result of the decision of this government has been quite remarkable.

Just the other day I received a copy of a local newspaper which indicated very substantial reserves of iron ore in the Hines Creek-Clear Hills area of the Peace river country had been found and which would more than likely be developed in the not too distant future. This was, I suggest, an indirect result of the decision of the government to proceed with this railroad. There are areas of agricultural land along this eastern route which I think constitute the last great reservoir of such lands in North America. I am satisfied, Mr. Chairman, that when this decision is finally implemented and this railroad is completed the present population of the Peace river country, which includes part of the area inhabited by those people who live in the constituency of the hon. member for Cariboo and in the area which goes into the lower part of Mackenzie, will be augmented to not less than half a million people by 1975. This is not idle conjecture. I could pinpoint the places where communities will be established, where towns will grow, where lumber operations will flourish, where there is natural gas and petroleum. These are not pipe dreams; these are not visions. These are actual facts which have been brought to the knowledge of the people during the course of the last few years.

I wish to make one more point in connection with the building of this railway. I grant that it will help, and it is intended mainly to help, the people in the Northwest Territories. It will have an immeasurably beneficial effect on the people in my constituency. Primarily, however, the bread and butter motive for constructing the railroad is to enable the ore produced at Pine Point mine to be brought down to Trail to the Consolidated Mining and Smelting Company for processing. I think we are at the stage where time is of the essence. I understand, and I am supported in this by statements which have been appearing in the press, that Consolidated Mining and Smelting Company at Trail depends to some extent for its economic production on the presence of what are known as smelter residues. These smelter residues will shortly be exhausted. It is for that reason that Consolidated Mining and Smelting Company, which holds a large interest in the Pine

Point mine, is most anxious that the railroad be completed and the minerals brought down from Pine Point to Trail. The failure to do that may well result in the company having to obtain custom ore, possibly from outside of Canada. I think that would be a great tragedy and I therefore urge the government, particularly the minister, to push ahead with this project as quickly as possible.

I recognize that we are in a difficult period in so far as railroads are concerned. However, it has been my submission, and I urged this two years ago, that this railroad should be constructed as a special railroad within the meaning of the Railway Act. It should not be compelled under the normal provisions of the Railway Act to carry passengers and to submit to the other more costly procedures which in the past went with railroad construction and operation. This is simply and purely a development railroad. It should be built with that fact in mind and it should be built as soon as possible.

Mr. Garland: This is the first opportunity I have had to congratulate the minister on his new appointment. He is a well liked and well respected member of this House of Commons and a man of high principles. I wish him well in his new responsibilities.

I rise in my place today to say a few words about only one subject that comes under the minister's responsibility. I refer to tourism which is an important industry, of course, to Canada and of particular importance in our area. I realize that it can be said that 1961 looks to be a promising year and for this, of course, we are glad. We can refer to modest increases over the years. I have just spent some time with some of the important leaders in the tourist industry of this country who were recently brought together in North Bay, and I can assure you that all is not well in the industry. I should like to refer to one aspect only today. This is a trend which is growing successively worse with each passing year.

This aspect of tourism, this growing of the deficit in our travel account is a matter of genuine concern, I know, to the government and to all thoughtful Canadians. I should like to refer to the Bank of Canada report of 1960. At page 44 it deals with non-merchandise transactions in the balance of international payments on current account. In this respect I should like to point out that Canadians spent $215 million more in 1960 abroad than tourists spent in Canada. This is a situation that has worsened to this $215 million deficit position from a position in 1950 of a surplus on travel account of $49 million. As a matter of interest, we could go back to 1939 when there was a surplus in this account of $68 million.

I am not going to lecture the minister this afternoon on the importance of tourism or remind him that today travel is the fastest expanding industry in the world or tell him that it is the second best source of United States dollars for Canada. However, I am convinced that he must persuade his colleagues that greater effort and spending will have to be made in view of this trend to which I have referred, namely this deficit in our travel account.

Canada has one of the world's lowest per tourist expenditures on tourist promotion in other countries. When we look at the facts we find that Bermuda spends $12.50 per tourist. In the countries of Europe the average spending is $9.50 per tourist. When we realize these facts, and when they are viewed in the light of this new development and in the light of world competition, they make our efforts seem quite inadequate, when we consider that this year there will be perhaps 30 million visits to this country and that the total amount of money covered in vote 303 is $2,687,000, which means less than 10 cents per visit. I am not holding this up as a comparison with the figures I have just used. I make the statement only to point out what I consider to be the inadequate approach to this whole problem that has developed in the tourist industry in this country and throughout the world.

It is a matter of genuine concern that travel expenditure by United States citizens abroad —and this matter was referred to earlier today I believe—was up 300 per cent in the last ten years and yet travel expenditures by United States citizens in Canada is only up approximately 20 odd per cent in the same period.

We must also look at the other side of the coin. Expenditures by Canadians outside of Canada are now four times greater than they were in 1948 and they are still rising. To reduce this trend is not an easy task. I think we all recognize that fact having in mind our geography, climate and economic conditions. Quite apart from the understandable pull of winter sunshine resorts it must be realized that world wide competition for the tourist dollar is growing every year. Our United States friends have been alert to this competition and as early as 1958 a special report to the president—I think it was referred to as the Randall report—formed the basis of extensive "See America First" and "Come to America" national tourist programs. We in Canada are losing ground. The annual deficit in our travel account as I have mentioned, has now reached $215 million. Only a vigorous and extensive program directed at tourists at home and abroad can turn the tide. To ensure the success of such a program we

must pursue an intensified course of raising our standards with respect to facilities and services if we are to expect our visitors from abroad to return or indeed our own people to accept enthusiastically a "See Canada First" or "Know Canada Better" program.

Tourism has grown tremendously in the past few years. Increased earnings, a shorter work week, longer holidays with pay, have all contributed greatly to making travel available to most people rather than to just the wealthy few as was the case in pre-war days. Tourism helps all segments of the economy. When people travel they spend their money on food and lodging, transportation, entertainment and a host of other services. Whether one operates a hotel or motel, a resort, a restaurant, a grocery store or is a manufacturer of sports clothes or equipment or operates a department store or sells gas or oil or even collects taxes, all benefit from the tourist dollar. Yes, tourism is everybody's business and it affects every area in this country. I believe there is a growing realization of this fact.

Considerable effort is being poured into the industry at the local, regional and provincial levels. In my own immediate area of Nipissing, which is a real vacationers' paradise, tourist spending amounts to $6 million annually. Many of our tourist operators are doing an excellent promotion job within their financial capabilities. Just the other evening at this meeting in North Bay to which I referred earlier many organizations such as N.O.T.A., N.O.O.A., Northern Ontario Outfitters Association; A.T.R.O., Associated Tourist Resorts of Ontario; O.T.C.A., Ontario Tourist Court Association and the important B.O.T.A., Board of Ontario Travel Associations were represented. These people are making a great contribution. In fact, these names are starting to sound like the various agencies of the United Nations. Of course, I should not forget our own North Bay Lakeshore Resorts Association.

I believe, however, that more federal leadership should be provided and is needed if Canada is to reverse the deficit trend in our tourist industry. Once we agree that tourism is everyone's business there should be a growing pooling of ideas and a greater spending and planning for the promotion of that industry.

We could persuade our visitors to stay longer. We could urge more visitors to come to Canada. We could urge more people to come to Canada in the winter time, and we could try harder to induce Canadians to spend their holidays in Canada.

A tourist does not have to be a person from another country. If 15 per cent of the Canadians who are now spending their holidays in other lands could be induced to spend their holidays in Canada it would wipe out the yearly travel deficit which we have with the rest of the world.

Advertising alone will not solve this problem. Very often the emphasis is just on the spending of money. Surely this is not the answer. I believe there is room for more prudent spending, more pooling of ideas and a great opportunity for leadership at the federal level in this important industry.

Before resuming my seat I wish to refer to two further items. It will be recalled that last year representatives were sent to Europe to investigate the tourist potential from that part of the world because of the resurgence of the European economy. It was a very wise move to tap as much as possible this important market in this field. I hope the minister will say something about the actions of the federal government in this regard.

I should also like to refer to one other matter which I raised in the house earlier this session. I refer to the concern that some of us felt when President Kennedy asked congress to reduce to $100 from $500 the value of tax free goods United States' tourists could take back to their country at any one time. I think we were justified in feeling some concern at that time. There was an article in the Ottawa *Journal* of February 7 this year which refers to the attitude of the minister. The article was written by Gordon Dewar and says:

> Little effect should be felt in the Canadian tourist industry if the U.S. congress should approve spending cuts for American tourists asked by President Kennedy Monday.

The article continues:

> This, at least, is the opinion of federal government officials, including northern affairs minister Dinsdale, whose department is responsible for tourism in Canada.

An article was written by Harold Morrison of the Canadian Press. The article originated in Washington and appeared in the February 20 issue of the Ottawa *Citizen*. It refers to the attitude of the Prime Minister and says:

> He—

That is the Prime Minister:

> —had heard no objections in Canada to Kennedy's proposal to reduce the American tax free exemption on tourist goods to $100 from $500.

There was another story, again originating in Washington, which appeared in the March 7 issue of the Ottawa *Citizen*:

> A congressional committee has deferred action on President Kennedy's proposal to reduce the maximum duty free allowance on tourist goods to $100 from $500 to permit further clarification of the Canadian position . . .

It will be recalled that the Minister of Finance, in answer to a question I asked,

indicated that representations had finally been made by the minister when he visited Washington later in March.

I think we are justified in being concerned about this apparent lack of policy and the various positions and attitudes taken by this government in this very important matter. I hope the minister will have something to say on this subject.

Surely this will have a serious psychological effect on our relations with the United States in this regard. We are spending $100 million in excess of United States spending in Canada. Surely there is no justification for this action by the United States as far as Canada is concerned. I hope the minister will say a few words on this important matter in the course of his remarks.

Mr. MacLellan: Mr. Chairman, since the Department of Northern Affairs and National Resources is very active in my riding I know it will come as no surprise to the minister if I rise on his estimates to discuss his department's relations with my constituency and also to suggest to him ways in which his department can be of service in the future to Inverness-Richmond as it has been in the past.

However, I should first of all like to express my congratulations to the minister who has taken over this department so recently and has already shown such a firm and intelligent hand in its administration and in advancing the very good work begun by his predecessor, and indeed opening up new approaches himself.

I understand that the minister plans to come to Nova Scotia this summer. I must say that the people of my province will be very glad to welcome him and certainly I look forward very much to the opportunity to show him around Cape Breton Highlands national park in North Inverness. I know my colleague from Cape Breton North and Victoria will also look forward to that opportunity.

Also I should like to show the minister Fort Louisbourg in another part of my riding, which I know he would like to examine very fully when he has time to do so.

I should like to show him the famous Cabot trail, which is perhaps one of the most famous scenic spots in the eastern provinces, and I want to show him why so many tourists over the years have been attracted to this very wonderful part of Nova Scotia. He will drive over the new road that is almost completed and over the trail that will be completed by this July. I recall some 25 years ago when I first went over the Cabot trail the road was so narrow that there was scarcely room for one car. If you met somebody on the road you had to back down to a spot that was wide enough to allow the other car to go by. This was along the banks of a precipice in many cases and appeared very dangerous, even to me in those days.

I should also like to have the minister note what the Cape Breton Highlands national park has meant to the development of the tourist industry not only in Inverness country but indeed the whole of Nova Scotia. Our tourist industry has grown by leaps and bounds in the last few years and no small part of the reason for this is to be found in the attraction of the Cape Breton Highlands national park. The new camp sites built by the department and the general increase in facilities over the last two or three years have provided extra services for visitors to the park, and these services are very welcome. Indeed, the build-up of the tourist industry in that area stands as proof of the wisdom of the investment that has been made to date in the park.

Last year the registrations at the Cape Breton Highlands national park were 227,262. Every year recently there has been a big increase in the number of registrations. When we realize how important the tourist industry is, particularly to Cape Breton, we can understand what it has meant to this part of the country to have this very important and wise investment in the area. Every Nova Scotian town has a most important investment in the tourist industry, in terms of motels, hotels, restaurants and similar facilities. Nova Scotia is building up a very worth-while tourist industry and I am optimistic that it will continue to grow. We are very close to the vast population of the eastern seaboard of the United States and many of these people like to come to Nova Scotia, and they are coming in increasing numbers, to escape the heat of their cities and to feel the cool seabreezes of the maritime summer. I should like to compliment the minister and his department on the great increase in advertising respecting Nova Scotia. I am sure the increased money spent has had a lot to do with the increase we are seeing today in the number of tourists from the United States.

I may say also that in an area where the principal occupations have been fishing and lumbering the employment that has been provided to the local people in building up the park has been very welcome. The area around Cheticamp and North Inverness generally has presented in recent years a much more prosperous appearance as a result of the extra money available in those communities through the payrolls of the department. I hope this will continue, and, again, I assure the minister that every dollar spent in developing parks such as the Cape Breton

national park is a good investment for Canada and the means of providing a worthwhile attraction for the tourists who will come to visit us.

As the tourist industry grows it will be necessary to continue the campsite building program and to assist in other ways to provide recreation and accommodation facilities in the park. I think it would be beneficial if a swimming pool were built on the Cheticamp side of the park. There is at present a golf course at Ingonish on the other side of the park but the time is coming when we shall need a second, and I suggest that this should be near Cheticamp.

When he is visiting I should like the minister to take a look at Cheticamp island because I believe that the acquisition of this land, or part of it, would be a valuable addition to present resources. This should be done without delay, because in a few years time the land might not be as readily available as it is today. We are going to need more campsites and recreation facilities, and Cheticamp island with its fine beaches and its tie-in with the rest of the park would be a natural addition.

Before leaving this topic I should like to pay a tribute to the superintendent of the park, Mr. F. C. Browning. He is a man well liked by all the citizens of the area and by the men who work for him. I know he has at heart the building up of the park and that he devotes a lot of time to planning and seeking out ways in which the park can be made a greater tourist attraction and of more use to the people of the surrounding area.

I should like, now, to address to the minister a few remarks on the subject of Louisbourg. I am proud to have this famous historic spot in my riding and I know the minister will appreciate that this is the fourth occasion on which I have brought up this matter in the house. I should like to express my thanks to boards of trade in the area and to other associations which have from time to time sent me resolutions, and sent resolutions to the minister, regarding Louisburg, or who have sent briefs suggesting ways in which this great Canadian monument could be refurbished. In 1963 Louisburg will be commemorating its two hundred and fiftieth anniversary of the founding of the town which, as all hon. members know, was first laid down in 1713. In 1958, at the bicentennial ceremonies, a large group of people turned out at Louisburg to take part, and I am sure that by 1963 as many as 100,000 people will be on hand. I think it is important that these people, who will have come from far and near to the fortress town, may have a chance to see there something which will give them a proper reward for their visit, and that they may have a chance to carry away with them something of the story of this historic place.

There can be no doubt as to the historic importance of Louisburg. William Pitt referred to it as the "key to European power in the new world" during the days of the conflict between France and England out of which this country was born. Every day I meet Canadians from all parts of the nation who ask me: what is being done about Louisburg? Interest is widespread. Moreover, interest is not confined to Canada; it extends to those who live in the New England states, since many men from New England took part in the siege of 1745. Louisburg not only played a part in British history but in United States history as well. Further, I feel that apart altogether from the economic value which may attach to Louisburg, we Canadians are too prone to neglect the history of our nation; we spend too little time seeing to it that people learn the story of our national life. Some of the tales of Louisburg are of the greatest in Canadian history; the course of events which was shaped then has altered the lives of all Canadians today and, certainly, the bald phrases of the history books alone can never succeed in showing just what part this old fortress played in the early life of Canada.

I should like to emphasize the need for further expenditure at Louisburg while expressing my thanks for what has already been done there. I understand that this year there will be a number of guides there who will be familiar with the history of the spot and who will be able to tell visitors something about the Louisburg story. And a full-time curator is to be appointed to take over the museum. Economically speaking I am certain our tourist industry will be greatly enhanced by the development of Louisburg. At present, only about one tenth of the people who go to the Cape Breton Highlands national park make a visit to Louisburg. Building up the site will bring many people down from Cabot trail to the southern side of the island and, encourage them to spend another two or three days on the island of Cape Breton.

Along with this I think that a new road should be constructed from Louisburg to St. Peters along the southern shore of Cape Breton and Richmond counties to open up an area which is known to very few and which is not now served by a good road. This would provide a circular route for tourists coming in at Port Hawkesbury and over the Cabot trail, and would allow them to leave from St. Peters. It would provide tourist

interest in that part of the province which certainly does not now have its share of visitors.

I know that the construction of highways is not within the province of the minister, but I hope some arrangement can be worked out with the province of Nova Scotia in the interest of bringing more people to fortress Louisburg and of the general development of the area.

I am not going to list the structures which I think should be built at Louisburg, or make suggestions in regard to restoration, as I know the minister is in possession of two or three briefs from the associated boards of trade of Cape Breton island in regard to this subject, as well as briefs from organizations in the town of Louisburg itself. I do think, however, that in time substantial restoration of a portion of the French town should take place.

It is important at once to acquire more land for the historic site. I am sad to say that Wolfe's Landing at Louisburg, which is east of the fortress, is not now within the historic site grounds. But the acquiring of a few extra acres would make it possible to bring this particularly interesting spot within the enclosure. I am sure that the department will wish to do this so as to preserve this site properly for all Canadians.

At this particular time, when new employment will be badly needed in Cape Breton Island, I would suggest to the minister that all possible steps should be taken to put under way, as soon as possible, a large construction program at Louisburg. Not only would the investment be a very sound one, as I have said, but the work done at the site, because of its nature, must be done by hand. It is the type of work that employs a large number of people and would provide assistance to many who will be out of work this summer if the proposed closing of some Dosco mines cannot be avoided. I urge the minister to begin to develop the Louisburg site as soon as possible for economic reasons as well as to properly display this very important historic monument in Canada.

Mr. McGrath: Mr. Chairman, before the item carries I would like to ask for the indulgence of the committee for a few moments. We have heard hon. members this afternoon advocating various ways and means of increasing the flow of tourists to this country. We have heard suggestions in regard to the establishment and restoration of various historic sites and monuments in different parts of the country. It is in this regard that I would like to direct the minister's attention because, in my mind, there is no better way of graphically telling the story of a people than by means of historic sites, relics and monuments.

I would suggest that Canada abounds with history from coast to coast. All too often historic areas in perhaps more remote parts of the country tend to be forgotten in favour of the more well-known and accessible areas in the central part of Canada. In 1955 the Department of Northern Affairs and National Resources, on behalf of the government of Canada, proceeded with the establishment of a historic site on the easternmost tip of Canada which is, as a matter of fact, the easternmost tip of North America. This site, which is now under development as a national historic park, is equal in historic significance and import to the plains of Abraham in Quebec and other historic sites in the southern part of Ontario. This is the site of the last armed conflict in North America between the French and English during the seven years' war. It was at this site in the 1770's that the French and English fought for possession of North America. It was in the year 1705 that construction of a fort by the then British garrison was undertaken at this historic site. It was completed in the year 1711. It has been called the "Queen's fort", taking its name from Queen Anne, the then reigning monarch of Great Britain.

After this site was taken over as a national historic park in 1955 there followed a very slow period of development. I am sorry to say that to this day, some five or six years later, this historic site of national significance is sadly underdeveloped.

Regrettably, a few months ago one of the oldest landmarks in Canada, built in 1705, was destroyed by fire. With all due respect to my hon. friend, in whose constituency fort Louisbourg is located, I would suggest that this fort preceded Louisbourg fort by several years. As I say, in 1705 this grand old building was erected and in 1960 was burned down. As a result of the Department of Northern Affairs and Natural Resources in its wisdom evicting the old gentleman and his family who had lived in this building for many years, it was left without a custodian and, through lack of proper supervision, or perhaps as a result of carelessness, this historic site of national significance has been destroyed.

I would ask the minister to tell the committee when he expects Signal Hill historic park will be completed. Since 1955, when it was commenced, only a relatively minor paving program and some restoration to Cabot tower has taken place. I would suggest for the benefit of hon. members that this historic site is of interest from the point of view of contemporary history, because of the

fact that in 1901 the first Marconi wireless message from Cornwall, England, was received at this site. I say this to illustrate the fact that here is a site of tremendous significance in the history of Canada, both in its early history and in its later development. I would suggest to those responsible in the Department of Northern Affairs and National Resources that they immediately initiate a stepped up program for the completion of this area and for the restoration of that part of the Queen's fort which was destroyed by vandals, I believe, a few months ago for want of a proper custodian and a watchman.

In conclusion, Mr. Chairman, I submit there are historical sites in Canada of less significance which are fully developed. I do not want to be specific but, for example, I hold in my hand a booklet put out by the Department of Northern Affairs and National Resources through the Canadian travel bureau on Fort Malden national historic park at Amherstburg, Ontario. I have had the privilege of visiting this site. Some of my hon. friends from eastern Canada should visit some of the sites in Ontario and see how they are really and properly developed, what a tourist attraction they are and what a sense of pride they are to those residents of this part of Canada. On the cover of this booklet which commemorates this site of a historical nature, but in my submission of not the same historical importance as Signal Hill park, there is a very apt quotation, and I shall close with it in the hope that the Minister of Northern Affairs and National Resources, who has brought so much zeal, vigour and enthusiasm to his new post, will give the attention that they justly deserve and demand to the historical sites of Canada. The quotation is by Joseph Howe, and it reads as follows:

> A wise nation preserves its record, gathers up its muniments, decorates the tombs of its illustrious dead, repairs its great public structures and fosters national pride and love of country by perpetual reference to the sacrifices and glories of the past.

Mr. McGee: I do not want to impede the progress of the committee. Perhaps before I make my request to the minister I should say that I was profoundly impressed by the arguments advanced by my hon. friend and seat mate from St. John's East. I was particularly impressed with the weight of his argument dealing with the burning of what surely must be one of the earliest structures in our national history.

I wish to ask the minister when he replies to bring us up to date on the progress of the request for the ossuary in Scarborough. For those hon. members who might not be aware of the significance of ossuaries, I would tell them that the dictionary definition describes an ossuary as a pile of bones. A subdivider in Scarborough, in preparing his land for building, discovered a mound and within the mound a substantial quantity of bones which turned out to be early Indian bones. When the Seven Nations Indians heard about this a request was made to me and to the local council to approach the federal government with a view to recognizing the significance of those bones and to establish an ossuary and a plaque. Several ambitious schemes have been advanced along the lines of providing perhaps a replica of an early Indian village similar to the type of thing found in the national museum. I understand that many persons are still interested in that aspect of the development, but I would appreciate it if the minister could bring us up to date on the progress of the Scarborough ossuary.

Mr. Regnier: Mr. Chairman, I thought this was an appropriate time also to speak about the old buildings we have in the city of St. Boniface.

First, I should like to congratulate the minister on his activity and the very able way in which he has conducted himself in his office as the new Minister of Northern Affairs and National Resources. It is a very difficult post when you have almost all of northern Canada and almost half of Canada to look after.

In St. Boniface we have what I believe to be the oldest building in western Canada. It was constructed before 1846 to receive the four grey nuns who came to St. Boniface in that year. I hold in my hand the fifth volume of the St. Boniface historical society. They have taken a great interest in this building. This book refers to this building in a rather long quotation.

The Acting Chairman (Mr. Chown): Order. I am sorry to interrupt the hon. member, but I thought it would be best to do so before he started his quotation.

It being five o'clock and in order to permit the house to proceed to the consideration of public and private bills, pursuant to section 3 of standing order 15, it is my duty to rise, report progress and request leave to sit again later this day, or at the next sitting of the house, as the case may be.

Progress reported.

PRIVATE BILLS

Mr. Deputy Speaker: It being five o'clock the house will now proceed to the consideration of public and private bills, the former having precedence, pursuant to section 3 of standing order 15 as provisionally amended.

SMALL LOANS ACT

AMENDMENT TO PLACE CEILING ON INTEREST RATES

On the order:

Second reading of Bill C-20, an act to amend the Small Loans Act.—Mr. Argue.

Mr. Argue: Stand.

Some hon. Members: Oh, oh.

Mr. Argue: I rise on a point of order, if I may. There has been a long standing custom in this house over a great many years, certainly all the time that I have been here, before the advent of this government, that when a public bill standing in the name of a private member was asked to stand it was automatically stood at the request of the member in whose name the bill appeared. This was done time after time and no question was raised as to this procedure. I think the practice was a correct one and that public bills in the name of private members are in fact private member's bills. In my opinion the procedure of the house from five o'clock to six o'clock should not be based on rules set out by the government or requests made by the government. Since this government took office, and in the last couple of years particularly, there has been a disposition to stand bills such as these first by request of the member in whose name the bill appears or by the request of the whip for the party concerned. Then, the Speaker would say, "at the request of the government," and the bill would stand in a routine fashion.

However, a week ago when Bill No. C-19, standing in my name, was called, I asked that it stand. I will agree that just a few minutes before I had not been too co-operative during the consideration of item No. 1 of the post office estimates. We are not always co-operative. I think sometimes hon. members on both sides dig in their heels. It was the hon. member for Bonavista-Twillingate (Mr. Pickersgill) who initiated the procedure by pointing out rule 19. At that time the house leader, I take it because of what had happened a few moments before, said the government was not requesting that this bill stand. I immediately proceeded with it.

I had hoped today, however, that as a courtesy to me, this bill might have been allowed to stand without prejudice to its position on the order paper. I was informed this procedure would not be followed and that unless I was prepared to proceed with it at this time the government would not request that it stand and the bill would have to go to the bottom of the order paper. With the large number of public bills on the order paper this would mean that, for all practical purposes, the bill would be dead for this session.

My point of order is this: The rules have not been changed on this question. A practice of the house had been built up over many years, I think an excellent practice, whereby public bills standing in the name of private members would stand on the request of the private member with an indication that the government was agreeable. I suggest that the government is making a mistake in the rule that is now going to be laid down, as I understand, that private members' bills will not be allowed to stand. I feel this rule will not aid orderly discussion. I think it will make it difficult for us if we wish to stand two or three bills in order to debate a bill, say, on capital punishment in which all the members of the house may be interested. I understand that the house leader is laying down this as the practice the government will follow in the future, that private bills will not be stood at the request of the government.

I feel this rule amounts to contempt of the private members' hour. I think it shows the government is becoming very arrogant and very dictatorial in its attitude. It is now, by this means, wielding the big stick. For the first time in all the years I have been in the house the government, by this arbitrary rule, is going to say that from now on if a bill stands at the top of the order paper and is not moved, then it gets the guillotine. I suggest that on the basis of co-operation in the house, the need for some give and take, this is a stupid attitude the government is taking and a course that should not be followed.

Mr. Bell (Carleton): The hon. gentleman, as usual, has used very extravagant language to describe the adherence to the rules which have been in existence for years. This issue was first raised on March 13, 1959, by the hon. member for Nickel Belt (Mr. Godin). The hon. member for Nickel Belt, as I understand it, is not a supporter of this government. He rose to a point of order at that time to the effect that standing order 19 required either that the motion for second reading of a bill must be proceeded with or that the bill should lose its precedence on the order paper. Mr. Speaker, in a lengthy statement at that time, indicated the way in which the rule had been applied and then said that the proper application of the rule required that bills should stand only at the request of the government. Subsequent to that, when a bill stood it stood at the request of the government with the house leader so indicating.

The last occasion on which this question was raised was, as the hon. gentleman said, last Friday. Was it a supporter of the government who raised the issue? It was not.

The hon. member for Bonavista-Twillingate (Mr. Pickersgill) raised the issue at that time. As a result of what the hon. member said, Mr. Speaker ruled as follows:

> As I understand the rules, unless the government requests the postponement of consideration of the bill it does go to the bottom of the list automatically. In this case, in the past it has been taken that the government has requested that it stand. I shall ask specifically, now, since the point has been raised.

There is no question of doubt, Mr. Speaker. Standing order 19 is completely clear. It says:

> Orders not proceeded with when called, upon the like request,—

This is a reference to the previous subsection which refers to the request of the government.

> —may be allowed to stand retaining their precedence; otherwise they shall be dropped and be placed on the order paper for the next sitting after those of the same class at a similar stage.

Now, sir on the basis of such a clear-cut rule, for the hon. gentleman to suggest that there is any contempt of private members is absurd. His use of the extravagant type of language he has used today shows that the hon. gentleman has no conception of the rules of this house.

Mr. Howard: After that impassioned appeal by the hon. member for Carleton (Mr. Bell), I think I should make a comment on the point of order. I believe this procedure does indicate the great arrogance of the government and its desire to control parliament.

Mr. Deputy Speaker: Order; I am willing to listen to the hon. member but I wish he would discuss the interpretation of standing order 19, if he so desires. I think enough has been said on both sides now as to the attitude of both sides. I should like to hear the hon. member on the interpretation of standing order 19.

Mr. Howard: Yes, Mr. Speaker, this is what I was proceeding to do. I was merely trying to follow the example set by the hon. member for Carleton.

An hon. Member: He was following your example.

Mr. Howard: The example was set by this government in its arrogant desire to control parliament.

I believe the hon. member for Carleton was quoting from the *Journals* for 1959, because I recognized the colour of the book he had in his hand. The hon. member said that this matter arose first on March 13, 1959. Well, in that regard he is quite incorrect. The matter arose on March 10, 1959. I shall attempt to read this quotation from *Hansard* to indicate to you that the practice prior to that time was precisely the practice set out by the hon. member for Assiniboia (Mr. Argue). I am reading from *Hansard* for March 10, 1959, page 1796. A point of order was raised by the hon. member for Nickel Belt (Mr. Godin) in respect of a bill relating to the printing of negotiable instruments in English and in French. The sponsor of that particular bill, I believe the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), asked that it stand and I quote:

> Mr. Godin: Mr. Speaker, on a point of order it seems to me that the hon. member has asked twice that this bill stand. The question is before the house and many members of the opposition groups are interested in this matter and would like it dealt with in a very short time by having a vote taken on it.

The next speaker was the house leader, then minister of public works, and I read this to indicate to you that even that hon. gentleman, with his many years of experience in this house, believed this to be the practice. I quote:

> Mr. Green: This is not a point of order at all. The hon. member has a perfect right to stand his bill just as the other hon. members have stood theirs. No point of order whatever has been raised by the hon. member.

This was the attitude of the house leader at that time, the present distinguished Secretary of State for External Affairs (Mr. Green). I read this, sir, to show you that the practice outlined by the hon. member for Assiniboia has been the practice for many, many years. This rule merely indicates the desire of this government to interfere in the affairs of private members and to exert its control and authority beyond its jurisdiction; that is the point with which we must deal.

Mr. Nowlan: That is sheer nonsense, and I think one little word of reply should be made on behalf of private members. Many private members, for weeks and months during this session, have prepared to speak on some bill only to find that as a result of some private arrangement that has been made between members—

Mr. Argue: Or the whips.

Mr. Nowlan: —sometimes through the whips, it is true, and sometimes without any consultation with the whips, their efforts have been wasted. It was because of the desire of the private members that some order should be brought into this performance, as was established three years ago with the Speaker, that this practice has been carried out. I admit that there may be an occasion—such as that when an hon. member is sick, is unavoidably prevented from coming to this House of Commons, is away in his own constituency or is on other business—when some

consideration might be given to that particular case. But on the matter of general practice, the rule is laid down clearly as adopted by this house—not by the government but by the house and by a preceding government, as far as that is concerned—and it has been laid down in the rulings of the Speaker.

I suggest that to imply that this is an imposition on private members or that this is an arbitrary action of the government is simply a play on words which should hardly be acceptable at this time.

Mr. Argue: If I may I should like to reply to the point raised by the minister. He certainly created in my mind a new impression as to what the government's practice is likely to be in the future. The Minister of National Revenue (Mr. Nowlan) says that if a member is sick, is away on business or is unavoidably absent a different attitude may be taken—

Mr. Nowlan: Might be taken.

Mr. Argue: —or might be taken. I would suggest this does precisely the thing we are suggesting it is doing today. It lends itself to arbitrary interference by the government. It was a request which was not made by private members on this side, I am sure. I am sure it was made by the gang who sit around the minister.

Mr. Nowlan: There is only one gang.

Mr. Argue: The government now can give one type of treatment to a Tory member and another type of treatment to the opposition. I suggest that this is a flagrant disregard for the rights of members of this house.

An hon. Member: That is a figment of your imagination.

Mr. Deputy Speaker: Order. I think standing order 19 is clear that if an hon. member does not wish to proceed with a bill standing in his name, it will not be allowed to stand unless there is a request from the government. I think the case to which reference was made and which arose on March 10, 1959, was entirely different. I do not think that the quotation from *Hansard* of the words of the then leader of the house would apply in the present case. Last week Mr. Speaker was very clear when a similar circumstance occurred. The rule is clear. The standing order gives a discretion to the government to request or not to request. Whether the government in the past has generally allowed bills to stand would not, in my view, have any application to the interpretation of the rule. I do not think I can rule otherwise than in the manner in which Mr. Speaker ruled last week. I therefore declare that unless the hon. member is ready to proceed with his bill it shall be dropped to the end of the orders.

Mr. Argue: With deference to Your Honour I wish to appeal your ruling.

Mr. Deputy Speaker: Order. The house has heard the decision. Those in favour of sustaining the decision of the Chair will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

Mr. Deputy Speaker put the question as follows:

The question is an appeal to the house from a decision of the Chair as follows:

Upon the order being read for second reading of Bill No. C-20, to amend the Small Loans Act, the hon. member for Assiniboia requested that the said order be allowed to stand and raised a point of order to the effect that it was the practice to allow such orders to stand when the sponsor so requested.

I ruled that the terms of standing order 19, paragraph 2, were explicit in this regard and that, in view of the recent ruling of Mr. Speaker on the same point, if the hon. member for Assiniboia did not proceed with the bill at this time it would drop to the foot of the list on the order paper.

Whereupon the hon. member for Assiniboia appealed to the house from the decision of the Chair.

The house divided on the question: Shall the Deputy Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Aiken	Cooper
Badanai	Crouse
Baldwin	Denis
Batten	Deschatelets
Bell (Carleton)	Dinsdale
Belzile	Dorion
Bigg	Doucett
Browne (St. John's West)	Drysdale
Browne (Vancouver-Kingsway)	Fairfield
	Fane
Brunsden	Forbes
Cadieu	Garland
Cardiff	Granger
Cardin	Green
Caron	Grenier
Carter	Grills
Charlton	Gundlock
Chevrier	Habel
Clancy	Halpenny
Clermont	Hees
Coates	Henderson
Comtois	Horner (Acadia)

Division

Horner (Jasper-Edson)	Monteith (Perth)
Horner (The Battlefords)	Montgomery
Jung	More
Kennedy	Morris
Kindt	Muir (Cape Breton
Korchinski	North and Victoria)
Lambert	Muir (Lisgar)
Leduc	Nielsen
Legere	Nowlan
Lessard	O'Hurley
MacEwan	O'Leary
MacLean (Queens)	Pascoe
MacLellan	Pugh
Macquarrie	Rapp
McCleave	Regnier
McFarlane	Rogers
McGee	Slogan
McGrath	Smith (Winnipeg North)
McIntosh	Southam
McLennan	Tardif
McPhillips	Tassé
McQuillan	Thomas
Mandziuk	Valade
Martel	Vivian
Martineau	Webb
Matthews	Woolliams—94.

NAYS

Messrs:

Argue	Howard
Fisher	Peters
Herridge	Regier—6.

Mr. Deputy Speaker: I declare the decision of the Chair confirmed.

Mr. Argue: I will proceed with my bill.

Mr. Hazen Argue (Assiniboia) moved the second reading of Bill No. C-20 to amend the Small Loans Act (Advertising).

He said: I am pleased to move once again a bill which has for its purpose the lowering of interest rates which may be charged by small loans companies in this country. I have had the opportunity to move similar bills back over the years. The first time I moved a bill in these terms was in 1954. At that time it received some support in the house. The Conservative opposition in the house of that day was silent and non-commital. The Liberal government followed the practice of putting on a cabinet minister who set forward the position taken by the government and, although this was not always the case at that time, they did follow the practice of talking the bill out.

I do not think I have been associated with any public bill or with any cause at all in a public bill which has received wider support in this nation than the contention that small loan companies are fleecing the public, that their interest rates are exorbitant and that it is time, in the interests of the consumer and the borrower, that parliament should act to further control the rates of interest which can be charged by small loan companies. When this bill was moved on a former occasion it created a great deal of stir in the country and aroused a great deal of public support.

[Mr. Deputy Speaker.]

In 1956, I think it was, the minister of finance introduced a bill which was eventually incorporated into the Small Loans Act which extended to a large extent the area of control of interest rates that may be charged by small loans companies. Before that time the control amounted to a ceiling of 2 per cent per month on loans up to $500. With the passage of this particular amendment at that time, on loans up to $300 the 2 per cent provision was allowed or permitted; on loans in excess of $300 but less than $1,000, 1 per cent was provided and for unpaid balances in excess of $1,000 half of 1 per cent per month was the ceiling provided. There is no doubt in my mind that this step forward saved the consumers of this country many millions of dollars.

We in this group are asking by this measure that the area of control should now be further extended and that action should be taken by parliament to save the consumers and borrowers of this country millions of dollars in exorbitant interest rates. I have been discouraged, or, perhaps I should say, I have been disappointed by the attitude taken by the Conservative members in general. In the past they have not been sympathetic to these proposals. They have argued that in a free enterprise economy you should let the buyer beware; that it is the fault of the borrower if these things happen and that parliament should not be asked to increase its jurisdiction in order to protect the ordinary Canadian borrower or consumer. Recently, however, there have been signs of an encouraging change in the attitude of at least some of the hon. members who sit opposite.

A week ago when I proposed Bill No. C-19 which would make it necessary by law for small loans companies to set forth in their advertising the interest rates that could be charged I received a good deal of vocal support from certain members of the Conservative party though this support did not extend to the point of allowing a vote to be taken. Although I said to the hon. member for Inverness-Richmond (Mr. MacLellan) that he had killed the bill by extended faint praise—by talking it out—the tenor of his remarks was more favourable than were the comments of some of the other members of the Conservative party on former occasions. The hon. member for Inverness-Richmond had this to say at one point in his remarks:

> I support the general principle of this bill. I should like to see the matter examined further by a committee of this house.

The hon. member for Davenport (Mr. Morton) who has probably been the most active and most talkative member on the government side with regard to bills of this

nature has been something of a killer member on the government side of the house. His job seems to have been to do anything he could to kill these bills, and he has been very successful. He has helped himself. He has set an example to members around him. He has talked on these bills. He has pointed out weaknesses, some real, no doubt, but most of them imaginary. He has spent a large part of his time making certain that these bills were talked out and killed. However, I noticed in that hon. member also what I took to be a change of emphasis in his statement of a week ago. He seemed at that time to have something more in mind than simply running down the provisions of the bill. He seemed to take a more constructive attitude and I hope this indicates a change in the attitude not only of the hon. member but on the part of the majority of the members on that side of the house. I would hope that this means the government will, in future, take a more lenient view to the proposals put forward in this and other bills I have moved regarding interest rates in Canada.

The hon. member for Davenport had the following to say, as reported at page 3698 of *Hansard* of April 14, 1961:

> Judging by the various bills that have been introduced in the house and the information put before the house within the last few years by members on all sides, I would say the time has come when the whole matter of interest, the Interest Act and the Small Loans Act, as well as this proposed legislation should be reviewed in toto.

He went on to say that there should be a periodic review, and this review should be undertaken by the banking and commerce committee. I hope that the parliamentary secretary to the Minister of Finance (Mr. Bell) will follow me in this debate, and I would express the hope that when he makes his comments he will confirm the statement that was made by the hon. member for Davenport. I hope he will make it clear to the house that the government is prepared to take a more lenient attitude toward this measure. I would also make a plea that the government refer this bill, and the other bills I have on the order paper dealing with interest rates, the ceiling on interest rates, and advertising, to the banking and commerce committee this session so that we may have a thorough review of the interest provisions in these acts, and so they may be changed to provide greater protection to the consumers in this country.

There exists a provision in the Small Loans Act providing for control, as set forth in the legislation, on loans up to a maximum of $1,500. In respect of loans over $1,500 there is no control, so that a small loans company making a loan of $1,501 is able to charge 25 per cent, 30 per cent or 35 per cent. Some companies charge, as most hon. members realize, 60 per cent and 70 per cent.

I have in my hand a credit union publication which has reference to interest rates being charged on second mortgages, and it refers to this as the "second mortgage cancer in Canada".

Mr. Smith (Winnipeg North): What does that have to do with loan companies?

Mr. Argue: Does my hon. friend realize that I have been talking about this bill?

Mr. Woolliams: The hon. member for Assiniboia (Mr. Argue) does not understand it.

Mr. Argue: I have been referring to this and other bills having to do with controls on interest rates which would make these cancerous rates prohibited by law. That is what I am endeavouring to put before the house.

I notice the hon. member does not say that these cancerous rates are not charged, but simply asks questions. Of course, he is in favour of the loan sharks. He has made that quite clear in his speeches. He likes high interest rates, but I do not. I feel they are a disgrace to Canada and the party in power.

Mr. Smith (Winnipeg North): Mr. Speaker, I rise on a question of privilege. The hon. member has said I am in favour of loan sharks and high interest rates. At no time have I said that. I challenge the hon. member to show in *Hansard* where I have said that.

Mr. Woolliams: Hear, hear.

Mr. Argue: Mr. Speaker, the record is clear. I withdraw nothing. The hon. member can put his statement on record if he wishes.

Mr. Woolliams: The same old line.

Mr. Argue: The long-absent member for Bow River (Mr. Woolliams) is now back in the house. I noticed that when the Aurora Pipe Line Company bill in his name was presented we went ahead in his absence. I do not know where he was, if he was unavoidably detained or, if so, by whom. However, he was not here. He is here today, however, to make his intervention on behalf of the loan sharks and this high interest rate, by heaping ridicule on what I think is a bill having good principles and purpose.

I have a report of the superintendent of insurance in my hand, which shows what a lucrative business the small loans business is. We have in existence today the Beneficial Finance Company. It changed its name some time ago. It benefits the company but I do not know if it benefits borrowers very much. That company has an authorized capital stock

of $10 million. That company has subscribed and paid up cash amounting to $1 million. According to the 1958 statistics that company made a net profit for the year of $5,230,000 on its paid up capital of $1 million, with income earned on small loans to the tune of $12.2 million.

Household Finance, the other giant in this field, has done equally well. This is a very lucrative field in which handsome profits are made, a field which is controlled by United States capital. This fact may no longer influence hon. members opposite, but the two large firms—Household Finance and Beneficial Finance—have made approximately 70 per cent of the loans in this country, and are controlled outside of this country.

I suggest that, in every respect, this bill and the other bills I have moved in this regard, warrant the support of all members of the house. I ask the government to sympathetically consider action along the lines set forth in these bills at the present session of parliament. Let us end this fleecing by bringing small loans companies under better control. Let us make a provision that interest rates charged in this country shall not be extortionate.

Mr. R. J. McCleave (Halifax): Mr. Speaker, I would first like to set the record straight. We heard the hon. member for Assiniboia (Mr. Argue) at the beginning of his speech, shortly after another issue was settled at five o'clock, make the suggestions that this bill had been presented to the house during the past five, six or seven years, and that it had been talked out. Actually this is only the second time since changes were made in the Small Loans Act in 1956 that this bill has even proceeded to the stage where it was debated on second reading.

Mr. Argue: I referred to this and other bills.

Mr. McCleave: The hon. member has made his speech and perhaps he will be good enough to allow me to make mine.

The first bill was presented on April 17, 1959. Having read the debate for that year in that regard I can see why the hon. member for Assiniboia was somewhat irritated by the hon. member for Winnipeg North (Mr. Smith). The hon. member for Winnipeg North made some rather unflattering remarks about the amount of research that had not been done by the hon. member for Assiniboia in presenting the measure at that time. Since my time is short I will not repeat them, but I certainly endorse the remarks found in that particular debate.

The fact is, we have an emotional issue before us this afternoon. A debate on an emotional issue always presents an opportunity for members to rise and fulminate against the money lending section of the population. If we intended to be truly political we could certainly back up those remarks without bothering to find out the consequences of any bill we passed. I think if this measure were passed the moneylenders in this country would be automatically out of business. I might say that I am in favour of that particular course because I have, fortunately, not had occasion to go to the small loans companies so far, and hope I never will. However, perhaps more than a million individuals have had occasion to do business with them.

The purpose of this bill is really to reduce from 2 per cent per month to 1 per cent per month the interest paid on small loans. At present the rate is 2 per cent per month up to $300; then 1 per cent from $300 to $1,000; and then one half of one per cent from $1,000 to $1,500, and there the operations of the act cease. Therefore, the effect would be to reduce the amount from 2 per cent per month to 1 per cent per month on all loans up to the figure of $300.

The difficulty I find in this bill—and I should like to support it—is to know just what effect it will have. I tried to make some rough calculations. I calculated that perhaps this would reduce the amount of interest paid to small loans operators by as much as $15 million or perhaps $20 million a year. Then, looking at Mr. MacGregor's report on small loans companies, moneylenders, for the year ended December 31, 1959, I found that the gross profit of small loans companies was something of the order of $15.9 million for the year 1959. For the previous year, 1958, it had been around $15.1 million. If my calculations are correct, and unfortunately I cannot claim very much accuracy for them, it would mean that the amount of gross profit, or the profit to run the business, would practically disappear and perforce the companies themselves would also have to disappear. I am not saying this is a particularly bad thing, at least in my case, but it might be bad for Canadians who were forced to forsake this particular group to borrow their money and go to some other particular group.

You see, Mr. Speaker, the difficulty is that we have no figures in Mr. MacGregor's excellent report—and it is an excellent report and well worth reading—showing the amount of loans up to $300. For example, on page VI of the first part the figures are for loans from $100 to $500 and $501 to $1,000 and from $1,001 to $1,500. This makes it extremely difficult to calculate the exact effect of the bill of the hon. member for Assiniboia. For this reason I suggest that the best approach to the bill is to send it to the banking and commerce committee where we could find out

the real effect of the change and the magnitude of what is proposed by the hon. member for Assiniboia.

I think the hon. member said on another occasion—I hope he will correct me if I am wrong—that he was not particularly wedded to these figures but that at least he wanted figures substantially lower than the rates that exist at the present time. I think I have given the gist of what he said previously. He nods his head in agreement. With that I can agree. I do think this subject needs another review. There are large areas in which our knowledge could be improved so that we would know exactly what we were getting into. At least with the small loans companies you see the shark for what he is—he is a licensed shark—but if you remove him as a source of credit or as a source of money for people who are in need, then you immediately drive them to people who will make the small loans shark appear almost like a saint by comparison. The problem, without putting haloes on these characters' heads, is to recognize at least there are much worse types of money operators in this country than these people.

Mr. MacGregor's report also gives other interesting information. But, Mr. Speaker, I see I am coming up to six o'clock. I hoped not to be in this particular position because I feel rather strongly on the subject of the bill, as does the hon. member for Assiniboia. Unfortunately, part of the time that I otherwise would have had for speaking was interrupted by a different procedure within this hour.

Mr. Argue: Mr. Speaker—

Mr. Deputy Speaker: I must inform the house that if the hon. member speaks now he will close the debate.

Mr. McCleave: I believe I had asked to have six o'clock called.

Mr. Argue: I had not heard it.

Mr. Deputy Speaker: The hon. member for Winnipeg North is seeking the floor.

Mr. Argue: Just to kill the bill.

Mr. Cardiff: The hon. member killed it; he talked 20 minutes on it.

Mr. Argue: He had no speech; he just stood up to kill the bill.

Mr. Deputy Speaker: It is now six o'clock.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire of the house leader what the business is for next week?

Mr. Nowlan: The proposal is that on Monday the Prime Minister will move the motion with respect to hours of sitting to be applicable, I believe, the following week. Once that is concluded, the house will have a motion to go into supply which will last for the remainder of Monday and all day Tuesday. Then, on Wednesday and Thursday we will have time available, if it is required, for dealing with the estimates of the Department of External Affairs and a debate on matters involved in external affairs. Then on Friday we shall proceed with the estimates of the Department of Northern Affairs and National Resources. These are tentative proposals and undoubtedly they will be carried out barring some circumstance arising which cannot be foreseen at the moment.

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

HOUSE OF COMMONS

Monday, April 24, 1961

The house met at 2.30 p.m.

FISHERIES

ALTERATION OF LOBSTER SEASON IN CERTAIN DISTRICTS

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, due to the very difficult climatic conditions recently experienced in many parts of the maritime provinces, it is now fairly obvious that lobster fishermen would have great difficulty in commencing their season's operations in districts 7-A and 7-B on the normal opening date of May 1. These districts cover, in the main, the northeastern coast of New Brunswick, the outer coast of Prince Edward Island, the strait of Canso, part of Northumberland strait and the west coast of Cape Breton.

Officials of my department have been watching the situation carefully. We have also received a large number of representations from the fishermen for consideration in these rather unique conditions. For these reasons I am proposing to postpone the opening date of the season in districts 7-A and 7-B from May 1 to May 10, and the closing date from June 30 to July 5. It is my hope that this action and the expected return to normal weather will enable the fishermen to prosecute a full fishery with no more difficulty than is usually experienced.

LIBRARY OF PARLIAMENT

CONCURRENCE IN REPORT OF CIVIL SERVICE COMMISSION

Hon. Donald M. Fleming (Minister of Finance) moved:

That the report of the civil service commission concerning certain employees of the library of parliament, laid upon the table of the house Thursday, April 20, 1961, be now approved.

Motion agreed to.

BUSINESS OF THE HOUSE

EXTENSION OF HOURS OF SITTING ON AND AFTER MAY 1

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

That commencing on Monday, May 1, and on every sitting day thereafter until the end of this session, the hours of sitting shall be as follows:

Monday and Tuesday: 11:00 a.m. to 1:00 p.m.; 2:30 to 6:00 p.m.; and 7:30 to 10:30 p.m.; except that when a supply motion is being considered in accordance with standing order 56, the hours of sitting shall be as set out by standing orders 2 and 6, namely: 2.30 to 6:00 p.m. and 8:00 to 10:00 p.m.;

Wednesday: 11:00 a.m. to 1:00 p.m.; 2:30 to 6:00 p.m.;

Thursday: 11:00 a.m. to 1:00 p.m.; 2:30 to 6:00 p.m.; and 7:30 to 10:30 p.m.;

Friday: 11:00 a.m. to 1:00 p.m.; 2:30 to 6:00 p.m.; and that the provisions of standing orders 2 and 6 be suspended in relation thereto.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, would the Prime Minister allow me to ask a question before he moves this motion. The question is this. In view of the fact that today and tomorrow are supply motion days, and since this motion will probably take up a substantial part of the time of the house, which would cause some inconvenience and embarrassment to the opposition; and in view of the fact that it will not come into effect until a week from today, I wonder if the Prime Minister would not agree to hold it over until Wednesday of this week.

Mr. Diefenbaker: Ordinarily I would have no hesitation in doing that, but there are circumstances in connection with the legislation of which notice should be given to the house and these circumstances, I think, impel me to proceed today. I do not want at any time to be unfair to hon. members and, in particular, to members of the opposition, but as we have arrived at the present stage of our proceedings, a time when one ordinarily expects such a motion as this to be made, I would hope to proceed. I do not think it should take too long.

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

Some hon. Members: No.

Mr. Chevrier: I take it the Prime Minister has some statement to make, because I understood from him earlier that he would make some announcement concerning legislation which was to be brought forward between now and the end of the session.

Mr. Diefenbaker: As I said a moment ago, at this approximate period of the session it is customary for a motion to be made extending the hours of sitting of the house. As I look back prior to the time we assumed office, such motions were made in several years on the 69th, the 71st, the 78th, the 84th and the 88th days.

Business of the House

I believe it is in the interests of all hon. members to endeavour at all times to proceed expeditiously with the business of the house. The extension of hours which is being sought will, I feel, be beneficial. It will bring about an actual addition of approximately 18 extra days between now and the first day of July. I mention that particular date not because there is any special significance to it with reference to parliament and the continuation of the session, but simply to show that the extra hours will mean that considerable additional time will be made available to deal with the various matters of legislation which remain to be considered this session.

Of course, in giving to the house a general outline of the legislative program I know there will be a full realization of the fact that the list in question is not an all-inclusive one, and that it does not include matters which conceivably could arise during the balance of the session. There might be some who would feel that the added hours place an extraordinarily heavy responsibility on members of parliament. I again remind hon. members that the hours of sitting in this house are far less, in the very beginning of the session, than is the case in the mother of parliaments. So far, up until April 21, we had been in session for 88 days, and it is of interest to ascertain the division in the calendar of the various matters that have come before the house.

The speech from the throne, including the opening day, took three days. The debate on what is called the baby budget took six days; private members' Mondays, six days; private members' Thursdays, two days; three supply motions, six days; the debate on March 3 on a matter of urgent public importance, one day. That is a total of 24 days in respect of debates that are fixed by the rules and the special debate. Then in supply on the supplementary estimates, four days; interim supply, two days. The main estimates, which to date have comprised the Department of Citizenship and Immigration, the Department of Agriculture and the Post Office Department, all of which have been completed, and the Departments of Labour and Northern Affairs and National Resources, incomplete, have taken 17 days, making a total for supply of 23 days, which incidentally, I believe, is somewhat longer than the total period taken in respect of supply in other parliaments.

When I mention the mother of parliaments I am not in any way suggesting that this house should follow the course followed there, but mention it simply by way of explanation that, in the experience of the years, the British parliament, which has been generally a model of expedition, has found it unnecessary to go into detail item by item in the estimates. I think the general plan there is for members to pick out particular items. All of us know, and I have that knowledge from having been in the opposition, that when each item is called, it is surprising the impetus and encouragement the calling of the items has to bring to the attention of the house matters which otherwise might not have been referred to. They are matters of much interest but not always of the same relative importance. On legislation so far we have spent 41 days, and have completed 17 bills and two motions.

I undertook to give a general outline, and naturally the house would like to have some idea as to the legislation projected or anticipated and yet to be introduced. In addition to the items in routine proceedings there will be amendments to the Unemployment Insurance Act; an amendment to the Federal-Provincial Tax-Sharing Arrangements Act; amendments to the Criminal Code, including capital punishment; an amendment to the narcotics control legislation; an amendment to the Coal Production Assistance Act; amendment to the Financial Administration Act; ratification of the convention on the law of the sea, the Pine Point Railway Act and the Food and Drugs Act amendments.

In addition, legislation will probably be introduced with respect to amendments to the Loan Companies Act, the Industrial Development Bank Act, the assignment of crown debts legislation and the War Veterans' Allowance Act. There will, of course, be a budget debate and legislation will be based on the resolutions. Furthermore, considerable attention will have to be given to the transportation problem and legislation arising out of, if not directly founded on, certain portions of the report of the royal commission on transportation may be anticipated. In this connection there is one piece of legislation having to do with the act to make provision for the reduction of certain class and commodity rates on freight traffic or, as cited, the Freight Rates Reduction Act of 1959, which was extended in 1960. Application will be made to the house for approval of further extension of this act.

What I have said I think gives some indication of the considerable amount of legislation that yet remains for the attention of the house. As I said earlier, in the normal course of events there will, of course, be one or more matters which have not yet come before the cabinet but which no doubt will come before it between now and the conclusion of the session.

Mr. Chevrier: Mr. Speaker, I had hoped that the Prime Minister would consent to allow this motion to stand until Wednesday, were it only because of the fact that, first, the discussion is likely to take some time and, as the Prime Minister and the house know, the rules of the house provide for six supply motions in so far as the opposition is concerned. There is no provision for any curtailment of that time to deal with other business of the house.

Then again there is the fact that this motion will not go into effect until next week. We on this side of the house had hoped that there would be no inconvenience to the government if this motion had been allowed to stand over until Wednesday of this week at least. However, the Prime Minister has decided against that course of action for the reasons which he gave and I am not going to pursue it any further, but I should like to deal with the motion itself. This is a motion which we have every year. It is a hardy perennial, but this session it seems to have bloomed much earlier than usual. If the motion is accepted it will mean two hours' additional sittings every morning and will add another hour to the evening sittings by providing that the house will sit from 7.30 p.m. to 10.30 p.m.

I take it that the government has been driven to put this motion on the order paper now for two reasons; first, because of the fact that the session began in November of last year, earlier than usual; and second, because of the long list of legislation announced by the Prime Minister, which is indicative of the tremendous amount of work still to be done. This state of affairs certainly cannot be blamed on the opposition.

Some hon. Members: Oh, oh.

Mr. Chevrier: My friends on the other side of the house smile. I will be able to indicate in a moment that the position is not as clear as some hon. members on the other side seem to think it is. It is well known that the organization of debate as well as the organization of the business of the house are in the hands of the government and not in the hands of the opposition. That is in accordance with our rules. We in the opposition have tried to co-operate with the government in the task of arranging for the orderly conduct of the business of the house. The fact is that most of the time has been taken up by government speakers. I said I would give some indication of this situation and I should now like to do so.

I have before me a list of the time taken by speakers for the different parties in a number of debates. This list was prepared at my request by the whip's office and I have every reason to believe it is accurate. The list indicates that during the throne speech debate, which took place on Monday, November 21, there was one speaker on behalf of the government who took one hour and 15 minutes compared with 35 minutes for one speaker from the official opposition and the same length of time for one C.C.F. speaker.

In the budget debate, which took six days, there were 19 government speakers who took 9 hours and 21 minutes compared with 15 Liberal speakers who took 11 hours and 53 minutes and C.C.F. speakers who took 3 hours and 55 minutes. I put these times on the record so the house will see what the position actually is with respect to what has been said in the house. I have referred to the budget debate particularly because we had every reason to take the time we did on that occasion.

On the resolution dealing with loans to small businesses there were 12 Progressive Conservative speakers who took 1 hour and 58 minutes compared with one Liberal who took 2 minutes and three C.C.F. speakers who took 37 minutes. When Bill No. C-40 dealing with the same matter, loans to small businesses, came before the house government speakers took 1 hour and 6 minutes compared with 55 minutes for the official opposition and 28 minutes for the C.C.F.

In the case of the National Housing Act amendments the same situation is revealed. There were 24 speakers on the government side who took 4 hours and 15 minutes compared with 17 minutes used by speakers from the official opposition and 37 minutes by C.C.F. speakers.

I bring to the attention of the house the fact that on many occasions speakers from the government side have risen to compliment the minister concerned, to thank him for the resolution introduced and to tell him what a tremendous benefit it was going to be in the riding of the member speaking, and I ask the house whether repetition of that same sort of thing day in and day out could not be eliminated and a great deal of the time of the house saved thereby.

With respect to Bill No. C-45, having to do with the continuation of the operation of railways, which was dealt with on November 30 and December 1, there were two government speakers who took 1 hour and 43 minutes, four Liberals who took 2 hours and 7 minutes and 5 C.C.F. speakers who took 2 hours and 10 minutes. Then there was Bill No. C-49 with regard to technical training assistance, which was discussed on December 7 and 9 and on which 13 government speakers took up 3 hours and 1 minute, we

in the opposition took up 1 hour and 16 minutes and the C.C.F. took up 32 minutes. The same thing can be said of the productivity council resolution, where 43 minutes were taken up by all the government speakers as compared with 15 minutes for this side of the house and 10 minutes for the C.C.F. As to the productivity council bill, the same thing could be said. One hour and 27 minutes were taken up by the government side as compared with 1 hour and 39 minutes by this side and 13 minutes by the C.C.F. I could go on, because I have a complete list; however, that is indicative of the attitude and the statement I made a moment ago, namely that we on this side of the house are not those who are taking up the time in dealing with these matters.

The government evidently believe that the solution for this state of affairs is to provide more time for talk. That is a very inadequate objective unless the time so provided is profitably used by a clear cut division and organization of the work of the house. The fact that the members of the House of Commons have been talking since November 17 and that such little progress has been made is clear proof that something better is required in the way of planning the business of this house. But in this motion the government obviously believe that the best solution is to provide more time for more talk.

This particular motion, if accepted, will add 11 hours to the weekly sittings of the house except during the weeks when there are supply motions, when there are added 5 additional hours. Here, as I say, we are asked to extend the hours of the sitting of the house in order to deal with government business. However, when it comes to dealing with a supply motion, something which is the prerogative of the opposition, we are not allowed to sit longer so far as that is concerned. In any event, the object of this motion is to provide the equivalent of two full days of sitting per week. We understand that it is the wish of the government to have us out of here by the end of June.

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

Mr. Chevrier: Yes.

Mr. Diefenbaker: I always like to know what is wanted. On days of supply motions does he want the same hours, namely from 11 o'clock in the morning? If he does, I am always willing to accommodate.

Mr. Chevrier: If the Prime Minister will allow me to complete my remarks I think he will find the answer to the question he has just asked. I was going on to say that I understood it to be the intention of the government to conclude the sittings of this house by the end of June. This would give us a period of nine weeks within which to complete our work if we began morning sittings on Monday next. The equivalent of 15½ days would be added to the work of the house within the next 9 weeks. The effect of this proposal is to reduce the length of the session by about three weeks. Without adding further hours at this stage, and on the assumption that the pace of work would remain the same regardless of hours of sitting, the session would probably expire on July 25 or thereabouts.

We find this proposal objectionable for two reasons. First, it provides for morning sittings at an unusually early period of the session; but what is more important, it comes at a time when the committees which normally meet in the morning are just getting down to work. In that respect here are the facts. There are 24 committees in existence or in contemplation. Of these, 14 have already started to work, 18 have been organized, and 11 have had sittings regularly. Over and above that, there are four special committees that have been appointed and three of these have had regular meetings. None the less there are five committees which have been organized but have not started to work, three of which in fact are extremely important.

Then the other objection we find is that there is no provision that the extra time provided will be used properly through better organization. I want to make a proposal to the government. Our proposal will make unnecessary morning sittings which at this stage prevent effective committee work, will provide for a different but more productive allocation of the time remaining, and will oblige the government to get busy in planning the remaining work of the session in the days that lie ahead.

Our proposal consists of three points. We propose first that we deal differently with the two remaining supply motions. The official opposition is willing to dispense with the debate on possibly both the remaining supply motions. We would wish, however, to reserve our right to debate one of these motions for at least one day if circumstances call for such a debate. By making this proposal in connection with the supply motion we suggest that the government agree to call one such motion at the request of the opposition. That might not be necessary. If this first part of the proposal were put into effect, that would make available at once at least three days and possibly four days in which to deal with legislation and estimates.

The next point in the proposal is that the time spent on the budget debate—and I refer to the budget which the Minister of Finance

intends to bring down at a later date—be reduced from six days to four days. We think this proposal is justified because we have already spent six days in debating the supplementary budget, and because we feel that a four day budget debate, provided the evening sittings can be extended if members wish to speak, would ensure that all points of view would be heard. This proposal would make available an additional two days in which to deal with estimates and legislation.

We asked that the government make available the final and complete list of legislation which it intends to place before the house. The Prime Minister has now done this. We should like to study this list at once so that we could—if it is the wish of the government to co-operate with the various leaders of the house—develop a definite time schedule for each item of legislation and each department of the government. It seems to me that we could very easily, having regard for this list, set aside a certain number of hours or days for each item on the program which we could attempt to follow unless such an adherence in a particular case would not be in the public interest. For instance as I look at the list which I took down I find that there are a number of items which could be disposed of in no time. I could almost immediately give the assurance to the government that at least one of these measures, if I understand it correctly, should take little time at all.

On the other hand there are measures of extreme importance. Without mentioning them, I have one in mind wherein we might say, "We will set aside X number of days to deal with this legislation," and we will give the undertaking that beyond that we will not go; with this exception, that if it became clear to us during the course of the debate that more speakers were required, we would ask that the hours of sitting of that day be extended so we could dispose of that legislation in the allotted time.

If such a time schedule were arranged, I can see no objection to extending the evening sittings of the house beyond the present sitting hours, within the confines of any such schedule of days. I may add that we have no objection to sitting an additional hour in the evening, say from 7.30 until 10.30, as the motion indicates. This would be a gain of approximately five days which, when added to the two proposals we made previously, gives a total of 10 to 11 additional days. Add to that a better organization of the business of the house, as I indicated in my last point, and I think we will have gone a long way toward meeting the desire or wish of all hon. members, not only those of the government, for an orderly consideration of the business.

It seems to us that this additional time, combined with the suggestion for planning and organization which I have made, would allow us to complete our work within the period of time which I believe the government has in mind. I see no point, however, in adding more hours, providing for more talk, and more time, without better management and organization.

There is another objection which I bring to the attention of the government. It deserves to be considered. It is the fact that additional hours work a great hardship on the staff. I need not tell the Prime Minister this; I am sure he realizes it every bit as much as I. We know what happened during the extension of the hours last year, when two members of the *Hansard* staff were stricken rather seriously. This also affects the very active and dynamic group of young page boys who give us such devoted service. Because of the fact that the hours begin earlier it will not be possible for them to attend school, as they have in the past. Also, this is a very critical period of the year, namely examination time.

The Prime Minister spoke a moment ago about the mother of parliaments and what was being done in the parliament of the United Kingdom. I have before me the report dated February 19, 1959, from the select committee on procedure. An attempt was made to have morning sittings and the parliament of the United Kingdom decided against them. This can be found at pages 13 to 15. I will only read the pertinent sentence, and I quote from page 15 of the report from the select committee on procedure:

> For this reason, and in view of the disadvantages which attach to morning sittings and in our view outweigh the possible advantages, we recommend no change in the present practice in regard to morning sittings.

It is true that in reply one can say there is a different arrangement in the United Kingdom. However, I am suggesting a different arrangement in the work and the planning of the business of this house.

I ask the government, therefore, in the light of what I have said and in the light of the proposal I have put forward, not to proceed with this motion today but to consider the proposals I have made in all seriousness and in all good faith in an attempt to assist the house and parliament to get on with the business. I am completely satisfied that a satisfactory arrangement could be worked out among the various house leaders which would do away with morning sittings, if not altogether, at least until the dying days of the session.

Business of the House

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, as the Prime Minister was the first to comment on the comparison of this house with the mother of parliaments, I wish he would also underline to the house that there are over 600 members in the British House of Commons, and over 500 of them live within three hours of Westminster. This makes quite a difference in their ability to attend when there are extended hours.

This particular motion affects each one of us as individuals and then there is the party sense of which we are all conscious. The house may remember that in the past three sessions, on the introduction of similar motions the C.C.F. party objected very stridently though notoriously to no avail, and the hours were lengthened.

This occasion brings us forward with a different, more co-operative attitude. This is not based on any view of the government as a villain trying to seduce us poor Nells over in the corner. There is almost complete unanimity that we should complete this session by the end of June if we possibly can. There is still much to do and there is still a certain sense of urgency both in the house and in the country that there are problems to be met. If we do not complete the session by the end of June or shortly thereafter, I think every one of us in the house must bear some burden of the blame, although the apportionment will always be a controversial matter. If the session drags and dowdles, is it primarily because of the lack of government leadership in the house, as has been indicated by the hon. member for Laurier, or is it primarily because of the obstreperous behaviour or prolixity of opposition speakers?

As an advocate of a "complex theory" of the House of Commons I would not want to give a firm answer to either of these questions. However, I would suggest that all the following facts or factors are involved. I think most of us assume that this is a national forum and that the nation is listening to us or watching us, although if we think about it I think we can all have very grave doubts as to whether this is really true.

The second point is that the majority of us, whatever our party or our individual status as politicians, recognize that time is wasted in this house in a number of ways; by overlong question periods, by repetitious speeches, by the sudden temper or whim of various ones among us, or by just misunderstandings over the course of business. Another point is that under regular hours, or extended hours, an extra burden to attend the house and committees is placed upon hon. members from distant places. This burden is increasingly noted whenever we get into extended hours.

[Mr. Chevrier.]

Another point is that many hon. members of this house, despite the fact that we are all peers, or we are assumed to be peers one to the other, have much different attitudes towards attendance either in Ottawa or in the house. Many hon. members carry on businesses or law practices co-ordinate with their political duties. Many others find a greater role to play politically at home, in their constituencies, than they do in Ottawa, even during sessions. Some of us, by geographic incident, our age or lack of age, our trade or profession or lack of either, or the nature and attitude of our constituents, cannot be the political semi-pros that I have just referred to. Also, a goodly number of us find that for family and financial reasons, the longer the session lasts, the rougher and tougher is our economic predicament.

Overlying all these individual factors is the crucial one of uncertainty; uncertainty not only as to the length of the session and the dates of the session, but uncertainty even about the length of this particular parliament. There have been many suggestions for change or reform put forward by members of the house over the years, including proposals that we should split the sessions, fix the length of the sessions, confine the length of the debates, accept as a principle that being a member of parliament is a full-time vocation and arrange the parliamentary year in a regular pattern with regular duties as they have really reached the stage of doing in Britain. Another suggestion has been put forward that we should increase the role of the house committees and cut down on formal debates in the house, together with a much greater degree of inter-party negotiation, as suggested by the hon. member for Laurier, in order to speed proceedings and get them under way.

It seems to me that one can detect one major difference of opinion among members of this house—and this has nothing to do with party positions—and this difference seems to me to rest on the basis of whether they were elected for the first time before or after 1957. There is much more patience among the more veteran members regarding the length of sessions and the length of debates. Perhaps because of the influx of rather young members in 1957, and particularly in 1958, this newer group is much more ready to say "The devil take it. Let's get through the job; let's get out of here to our families and our constituencies."

Speaking as an individual and not as a party member it is apparent, I think, where I stand on this point of view. This dialectic between the patience of experience and the impatience of the newer members probably affects all parties in the house. In any event,

the sense of urgency we express at this time is that we should speed this session to a conclusion. We see little reason on the order paper, or from what the Prime Minister has said, to seriously consider why we should be here throughout July. The added hours will be a blight to every one of us and especially to all those who take their attendance and their duties here seriously, though I ask the whole house to remember that there are many members who do not take this attendance seriously.

We intend to co-operate especially for this reason—and we are selfish in this, because most of us do come from distant places—that we cannot be at home week ends even if we wish to; and in order to end more quickly the load—and we know this view is shared by many of our colleagues who come from the west or from distant places in the east—we wish to amend the motion which has been put forward. We take the view that the whole hog is as palatable as the greater part, and I move, seconded by the hon. member for Skeena:

That the motion be amended by adding thereto: Saturday, 11.00 a.m. to 1.00 p.m.; 2.30 p.m. to 6.00 p.m.

An hon. Member: What about Sunday?

Mr. Speaker: Before the hon. member who has moved this motion retires, may I take it that his amendment is to be inserted after the provision for Friday? On that basis it no doubt will be acceptable.

Mr. Chevrier: I just want to say one word in connection with the amendment. For the reasons I gave earlier, so far as the opposition are concerned this amendment is not acceptable. We believe the proposal which we put forward in three points is far more attractive than this and should first be considered, if not accepted, by the government.

Mr. Harold E. Winch (Vancouver East): I find myself in a peculiar situation. That is not unusual. I have listened with a great deal of interest and respect to the remarks of the hon. member for Port Arthur, and I find myself in complete disagreement with them.

Perhaps I owe the house an apology, because for the past two weeks I have been out of touch with the House of Commons. Indeed, I returned only yesterday afternoon after being a parliamentary observer at the United Nations. It was not until this morning that I knew of the motion which has just been moved by the Prime Minister for the extension of hours, or of the amendment which has been put forward by my hon. friend from Port Arthur. Sir, I have even been warned to be careful what I say. I never thought I would be given that warning.

In the time I have been here in the House of Commons those hon. members who were here during the same time will remember what I have said on previous occasions on the subject of the extension of hours. Those who did not hear my remarks on this subject in previous sessions can find them in *Hansard*. This question of the extension of hours is of such importance that I cannot hold my seat and agree in silence to what is now before us. Will you allow me, Mr. Speaker, to introduce my comments in this way. As I said, I have just returned from four weeks at the United Nations. The last week was probably one of the most crucial weeks in the history of the United Nations, when matters of life and death were debated—

Some hon. Members: Order.

Mr. Winch: —yet during those all important discussions sitting hours were allowed to extend until six o'clock in the morning. In the United Nations I feel problems cannot be resolved on matters of life and death, by brilliant people of all the nations, on such a basis.

So much for what took place last week. I feel the same way about proceedings in the House of Commons. I have said before, time after time over the past eight years, that we are the 265 directors of the business of Canada. We have been given the responsibility for imposing laws which must be obeyed by the 18 million people who live in this country. We make the law, or rescind the law; we impose taxation and spend the money. As a rule the major business comes at the latter part of the session, and I say we are betraying the 18 million and those who elected us if our work is carried on in such haste that, taking account of the work to be done outside of the house, the hours and duties are such that we cannot give proper consideration and proper attention to decisions which are going to affect every man, woman and child in this country.

Mr. Speaker, I appreciate that what the hon. member for Port Arthur says about responsibilities to business, and wanting to get home to constituencies and families, is correct. I have a family and a constituency as well. I have not seen my wife, my children or my grandchildren since the second week of January. I could have gone home, as many other members could; but when we accept nomination, surely to heaven we accept the responsibilities of directors of the Canadian economy whether we sit in this house in government or in opposition, and regardless of what party name we have.

Between now and the end of the session we will be passing new laws, amending existing laws, and perhaps making changes

in many directions. We will be imposing taxation and spending billions of dollars, and I suggest most sincerely and conscientiously that whether the House of Commons takes six months or twelve months, it is our responsibility to proceed in such a manner, with conscience and understanding, that members of parliament do not become as tired as in 1954, when we went from a sessional indemnity to a yearly indemnity as a result or recognition of the importance of the business of the House of Commons, as well as recognition of the fact that we possibly would reach a time when, with the exception of interval recesses, this business would present a twelve month task for the members.

I feel very deeply about this, and that is why in all conscience, sincerity and integrity, and in the light of the acceptance of the responsibility imposed upon members of the House of Commons, I cannot support or vote either for the amendment moved by the member for Port Arthur or for the motion of the Prime Minister. We have a job to do; let us do it in a proper, respectful, decent and efficient manner.

Mr. Henderson: Mr. Speaker, would the previous speaker, the hon. member for Vancouver East, like to mention who warned him about speaking?

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

Some hon. Members: Question.

Mr. Speaker: Those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed to the amendment will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it. I declare the amendment carried on division. The question now is on the main motion as amended.

Mr. Chevrier: Mr. Speaker, I understood that Your Honour was putting the amendment, and I do not think the amendment has been put.

Mr. Speaker: I have put the amendment and declared that in my opinion the yeas had it.

Mr. Chevrier: No.

Mr. Speaker: There was then no call for a recorded vote.

Mr. Chevrier: Mr. Speaker, I rise on a point of order. I certainly did not understand that to be the case when you put the amendment. When I rose to speak on the amendment I indicated quite clearly that we could not accept it and, therefore, that was indicative that we would vote against it. When Your Honour put the amendment I certainly did not understand that it was being put. I think we have been put in a position which is unfair in accordance with the rules of the house.

Mr. Churchill: Mr. Speaker, the amendment was clearly put. You called for the yeas and nays and you said that in your opinion the yeas had it, and that was the end of it. Only four members stood up and called for a recorded vote. That is not sufficient for a recorded vote.

An hon. Member: There were five.

Another hon. Member: There were seven.

Another hon. Member: Mr. Speaker, neither is seven sufficient for a recorded vote.

Mr. Pickersgill: Mr. Speaker, I should like to say a word about the point of order which my hon. friend has raised. It seems to me that at a time like this, when the government is making a motion and taking the responsibility, notwithstanding a courtesy request of the opposition, to impose exceptional measures upon the house, we should not allow a misunderstanding or technicality such as has arisen at this time, and Your Honour should permit a division notwithstanding any misunderstanding that may have taken place.

Mr. Speaker: I have no authority to reverse any proceeding that has been taken except by unanimous consent of the house. The rules were followed in accordance with procedure, unless I was in error in deciding that there were not five members who rose. One or two appeared to rise but sat down again, so I did not call in the members. The hon. members at that time must have realized that the matter was decided. If, with unanimous consent, the house wishes to deal otherwise with the matter, of course, that is for the house to say.

Some hon. Members: No.

Mr. Speaker: Otherwise it is my duty to proceed with the motion as amended.

Hon. Paul Martin (Essex East): Mr. Speaker, may I say a word. I think the hon. member for Bonavista-Twillingate has made observations in respect of circumstances to which the Prime Minister should address himself.

Some hon. Members: No.

Mr. Martin (Essex East): The hon. member for Laurier asked the Prime Minister if he would put this motion over until Wednesday

but the Prime Minister, to my great surprise, refused to accede to what is a traditional request.

Some hon. Members: Order.

Mr. Martin (Essex East): The reason the Prime Minister did that is that he did not want any discussion in this house today in respect of unemployment.

Some hon. Members: Order.

Mr. Martin (Essex East): That is the reason.

Mr. Speaker: Order.

Mr. Martin (Essex East): It seems to me—

Mr. Speaker: Order. Will the hon. member for Essex East please take his seat.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Speaker: Order.

Mr. Martin (Essex East): Mr. Speaker, I am addressing myself to—

Mr. Speaker: Order. I am just about to remind the hon. member that he is not speaking to a point of order, and that I am now—

Mr. Martin (Essex East): I was just addressing—

Mr. Speaker: Order. Would the hon. member resume his seat. If he wishes to speak to a point of order, I must say that I am not sure that a point of order can be raised with respect to a decision of the Chair on a vote. I have allowed some discussion, and if the hon. member for Essex East wishes to address himself to it before I proceed I shall hear him. However, as I have already indicated to him, I have no power to alter the circumstances to which objection is taken by means of a point of order.

Mr. Martin (Essex East): Your Honour is quite right in that you have not that power, but I was seeking to address myself to the Prime Minister who, as leader of this house, could give the house direction which I am sure would be followed. No one wants any improper adjudication to take place here today on a matter of this sort, but in view of the request made by the spokesman for the opposition, the hon. member for Laurier, surely it is open to us to ask the Prime Minister to use the power, which is his, to acquire the unanimity with which, as Your Honour said we only could proceed. Five members rose on this question.

Some hon. Members: No.

Mr. Martin (Essex East): Your Honour, whose judgment and impartiality we all accept, did say that he may have made an error. While this particular phase of the discussion was under way my colleague stood up and five of the hon. members did so also, perhaps along with others. That being the case, surely the leader of the house, the Prime Minister of this country, who refused to put this motion off until Wednesday—

Mr. Speaker: Order. The hon. member cannot pursue that line of discussion. The question now is on the main motion as amended. If he wishes to speak on that he will be in order to do so.

Mr. Martin (Essex East): Mr. Speaker, I had intended to indicate, and I do so now, that I was surprised when the acting leader of the opposition asked the Prime Minister to put this motion over until Wednesday and the Prime Minister said, for some reason that is not yet clear—and he owes it to the house to explain what that reason is—that there was some important legislation he had in mind involving notice to hon. members which made it impossible for him to accede to the suggestion.

I say to the Prime Minister I cannot conceive of that being a legitimate reason. He owes it to the house to tell us why. I would doubt whether there is a record in the proceedings of this house of a request made by a leader of the opposition in such circumstances that was ever denied by a prime minister. In fairness the Prime Minister should have agreed to put this motion over until Wednesday. I can only offer as my interpretation of the reason that this was a device of the Prime Minister, on a day when we are going to have a supply motion, to preclude the opposition from discussing matters which in the Prime Minister's mind, particularly today, would be regarded as extremely embarrassing.

Mr. Speaker: Order. It seems to me the hon. member is out of order in two particulars. In the first place, we are debating a motion relating to the hours of sitting rather than the reason this motion is being proceeded with today. In the second place, the hon. member is imputing motives to the Prime Minister in proceeding with the matter, which he is not entitled to do in accordance with the rules. It is not in accordance with parliamentary practice to impute improper motives. I am not necessarily making the assumption that the imputation is an improper one, but he was imputing a motive; he was dealing with a matter which is not strictly related to the debate.

Mr. Martin (Essex East): If you say, sir, that I had imputed improper motives to the Prime Minister I can only say I respectfully disagree with you. In the absence of an explanation, I am entitled to suggest why the Prime Minister has refused to accept a

perfectly legitimate request, one which I suggest the records will show has been traditionally adopted in this house before. However, I am not going to pursue that matter. I do not think it is imputing motives at all; it is ascribing a reason, in the absence of an explanation, for the course the government has taken today.

Now, on the merits, since Your Honour drives me to that position, I would say simply that I doubt whether there is a record of any motion of this sort so far away from the expected termination of the session. We are at least some two months away, and this is on the assumption that we are going to conclude our sittings at the end of June; and I certainly do not see any hope of finishing our sittings by that time. For some reason or other, two months ahead, the government obviously has taken a course which at all times has been taken only a few weeks before the end of the session.

Mr. Diefenbaker: Oh, no.

Mr. Martin (Essex East): The Prime Minister says "Oh, no"; I say "Oh, yes". Let the Prime Minister show the house that that is not so. Certainly when the former prime minister, Mr. St. Laurent, was directing the affairs of the country and of this house, when any hon. member, particularly the leader of the opposition, asked for fair consideration of the position of the opposition with respect to work in the house, that request was always acceded to; but one does not perhaps, of course, expect that kind of treatment from the present Prime Minister.

The hon. member for Laurier has pointed out that only a few of the committees of this house have even begun their work. For instance, the important work of the Department of External Affairs has not yet been referred to a committee. We should keep in mind the limited number of members of the opposition parties at the present time but, of course, who will not remain in that position too long because of coming events. Nevertheless there rests a responsibility on every member of the opposition to discharge his or her duty as thoroughly as it can be done. I say to the Prime Minister —and I paraphrase his own language when he was sitting on this side and made similar appeals which were generally acceded to— is it possible for a member of the opposition to sit in committees for two months while important business of this house is being discussed? It just is not possible.

We had an unforgettable day last session when, at a critical time in the history of the world, foreign affairs were being discussed in this house and the Prime Minister himself, as he will remember, was engaged on important matters in his own office and was not able to attend during the whole speech of the Secretary of State for External Affairs (Mr. Green). The Leader of the Opposition, whose experience in these matters is admitted, was discussing this matter at 1.30 in the afternoon when at least five committees were sitting. It was impossible for members of the Prime Minister's own party to attend to their obligations both in committee and in this house. There was a bare quorum of members sitting behind the Prime Minister listening to the important statement being made by the Secretary of State for External Affairs. At that time three important committees were sitting. There never was a greater evidence of disgraceful handling of public business than on that occasion. The particular course that is now being taken by the Prime Minister will compel a repetition of that kind of situation for a period of at least two and a half months.

The Prime Minister is the leader of the largest group in this house. He can put a motion and undoubtedly his followers will support what he proposes.

An hon. Member: They sure will.

Mr. Martin (Essex East): Somebody says "Sure will". I know that will be the case, and it is because I know "Sure will" is the answer that I make this appeal to the Prime Minister in the hope that, as one who understands the difficulties of discharging our responsibilities, he will not put the members of the opposition in a position where they cannot properly discharge their primary duties, which are in this chamber. Their work in this house comes before the committees.

When this matter was discussed in the fall of 1957, and a motion was made by the chairman of one of the committees for simultaneous sittings very early in the session, the Prime Minister said that he recognized the position of members of the opposition; he had sat in the opposition, he knew of the difficulties, and he wanted to give the assurance that he would see to it that the business of the house was so arranged that no member would be denied the opportunity of properly discharging his responsibilities as a member of this house.

Last year he was reminded of this assurance. His answer then was, as the right hon. gentleman knows, "I do not determine the conduct and the business of parliamentary committees". That reply was not the reply he gave when this matter was first raised after the present government came into office. I say again that it is just not possible to discharge the public business properly by

having all these committees sitting simultaneously with the house in session, particularly now when we are going to extend the hours of sitting so as to preclude even that happening in a more modified form.

We have some important measures to come before us. We have the unemployment insurance amendments, which will likely be of a fundamental character. The sittings of that committee could well take over a month if we are going to discharge our functions properly. Are we then to argue that members who are interested in that particular measure shall spend all their time in the committee and not come into the house in order to discharge their functions here?

If we are in this position today, I suggest to the Prime Minister that it is perhaps because the government has not handled the business of the house this session as effectively as it might otherwise have done. I do not deny hon. members opposite the right to speak, but when they criticize opposition members for taking undue time in the deliberations of this house I would remind them of the number of speeches made on a measure introduced by the Minister of Agriculture that took almost five days of discussion, a bill which is not now before the house and may not even be passed this session because of the collaboration with the provinces that is being sought.

I say this to the Prime Minister. In this house he is not only a party leader. As Prime Minister he is the leader of the house, and by virtue of that office he is responsible, as no one else in the house is, for the conduct of the business of the house. He can rush things through if he wishes. He can make it difficult for members of the opposition to carry out their functions as critics. He can make it impossible for certain members to be in the house when they should be because they have to attend a committee, or can compel them to be in the house when perhaps in the national interest they should be at a particular time in a committee. He can force this result. If he does, he acts not as Prime Minister but as a party politician who takes first into consideration party interest and not national interest.

Some hon. Members: Oh, oh.

An hon. Member: Shame.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): I suggest to the Prime Minister that he does not want to be put in that position because I know, as every other member of the house does, that on reflection he will want to serve the nation first. I suggest that in this instance the way for the right hon. gentleman to serve the nation is for him not to forget that he is Prime Minister of this country and not merely the leader of a political party.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, when I came into the house this afternoon I did not have the slightest intention of saying anything on this motion. I might say that one reason I have been prompted to say something about it, though I did not have that intention, is that, the Prime Minister having introduced a motion which to say the least abridges the rights of members of the opposition, when the hon. member for Laurier and other members of the opposition have got up to speak we have had a series of catcalls from the supporters of the government which are unworthy of this house and particularly unworthy of them when a motion of this kind is being discussed. I hope that will cease now, sir.

As hon. members know, it is not many years since I first came into the house, but as hon. members also know I have observed the proceedings of the house for a good many years. In the light of that fact I cannot imagine any of the immediate predecessors of the present Prime Minister, including Mr. Bennett, refusing a request such as was made today by the hon. member for Laurier. I have had a good deal to do with such motion in days gone by, and I can say that the prime minister of the day always discussed with the opposition the time and the circumstances in which they would be brought forward, and as far as possible sought to reach an accommodation.

We should not forget that the purpose of this motion is to facilitate the business of the house and I suggest to you, Mr. Speaker, that it is not apt to facilitate the business of the house if in the minds of members of the opposition there is created a sense of injustice, a sense that there is no fair play, no fair dealing. That is the sense that the performance of the government today has given to me.

An hon. Member: How about closure?

Mr. Pickersgill: On a suitable occasion I would be very happy to make some observations about that. However, I think we ought to be reminded of what the Prime Minister himself had to say only four years ago, following the dissolution of parliament and his recent experience as leader of the opposition. He was going about the country taking great exception to the way in which, in his opinion, the government of the day had treated the

opposition, and this is what he said as reported in the Winnipeg *Tribune* of May 16, 1957:

> Mr. Diefenbaker . . . said cabinet domination of the parliament was the reason for the lack of action . . . The first job to be done was to restore parliament and a Conservative government would—

Well, sir, if the Prime Minister's idea of restoring parliament is to impose this kind of regime by an overwhelming vote and to permit an amendment moved by a member of the opposition to be put without the government indicating its own position on that amendment, it seems to me that this is an extraordinary and arbitrary way to treat this house. Because the rules would not permit it, sir, I forbear saying anything about the unfortunate event of a few moments ago, other than that I cannot imagine Mr. St. Laurent ever allowing a thing like that to happen.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Pickersgill: I might say that if the purpose of the government in putting forward this motion is to facilitate the proper discharge by us of the business of the house it does seem to me most extraordinary, after the most constructive and helpful suggestions made on behalf of the official opposition by the hon. member for Laurier notwithstanding the very evident lack of co-operation by the Prime Minister with respect to the hon. member's original request, that the Prime Minister did not, as any leader before the present one whom I have seen would have done, rise on a point of order at once and ask Your Honour to permit the adjournment of this debate so that my hon. friend's suggestions could be considered properly by the Prime Minister and his colleagues with a view to doing what all of us should want to do, discharge the business of the country in a seemly fashion but also in a reasonably expeditious way.

Since I am speaking I cannot forbear drawing attention to something else. Whatever may be said about the conduct of any member of the opposition in previous sessions of this parliament, there can certainly be no criticism of lack of complete co-operation with the government on the part of the opposition with respect to all business during the present session that we regarded as noncontentious. It will be remembered that before Christmas we facilitated every piece of government legislation, while at the same time we listened to gramophone record repetition of the most tiresome and endless sort, as the hon. member for Laurier pointed out, by supporters of the government contributing nothing whatever to the debate but delaying the business of the house.

If supporters of the government had acted in the way members of the opposition did, there is no reason why we should not have concluded the baby budget debate before Christmas instead of the debate continuing after Christmas. As the hon. member for Laurier has shown, even on that measure and on every other measure, except one or two that were really contentious, that we thought were not in the public interest and that we ought to fight, there has been no delay and no time wasted on this side of the house. But for some reason or other, whether because the government is not ready with its business or whatever the reason may be, there seems to be a tendency this session by government supporters to take up the time of the house with repetition that is neither entertaining nor useful.

An hon. Member: Like now.

Mr. Pickersgill: I suggest that even at this late date the Prime Minister would be well advised, in the interests of the very end he has in view, to accept the suggestion made on behalf of the opposition by my friend the hon. member for Laurier and to ask the leave of the house to have this debate adjourned so that the government can consider these suggestions and so that there may be a conference between the leaders with a view to getting the kind of co-operation and the kind of conduct of the public business that the people of Canada have a right to expect of us in this parliament.

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: I must inform the house that if the Prime Minister speaks now he will close the debate.

Mr. Diefenbaker: Mr. Speaker, in so far as the government is concerned, its attitude has at all times been to secure the views of the opposition, on the conduct of the business of the house to the end that there be co-operation. As far as the hon. member for Essex East is concerned, I shall return to him in a moment; but at this time I simply want to say that what he is endeavouring to do is to hold the government responsible for the fact that the official opposition were uncertain as to what to do in respect of the amendment moved, did not stand up and you, Mr. Speaker, declared the amendment carried. Thereafter hon. members of the opposition began to realize the position in which they found themselves in failing to call for a vote. I want to make that point clear.

An hon. Member: They were asleep.

Mr. Diefenbaker: I came before the house this afternoon for the purpose not of determining that the end of the session should be on July 1 but simply by reason of the fact

that I wanted to give hon. members the opportunity to expedite the business of the house.

I listened with a great deal of interest to the views expressed by the hon. member for Laurier. He is an experienced member of the house. I think he is able to teach a lesson to the hon. member for Essex East as to the proprieties. He presented his case in a most reasonable manner and must thereby have shocked the sensibilities of the hon. member for Essex East. He presented a viewpoint that met with a good deal of support on my part as I listened to him. There is a need for the reformation of the rules of the house. At the present time a committee is sitting, as did the committee last year, endeavouring to bring about changes which will expedite the business but which will not deny the fullest and most complete discussion of those questions that arise in respect of which there is bound to be controversy.

It is as though something unusual had happened. The hon. member for Essex East said that this is a most unusual circumstance, referring to the introduction of this motion at the present time. While I have already pointed it out, if I must do so I will repeat it and give the fullest information in that connection. I looked over the record and I found that in 1947, on the 78th day of the session, the sittings were extended. Then in 1949 the session was divided. In the first session prior to its conclusion morning sittings began on the 38th day and in the second session following the conclusion of the 42nd day. In the regular session of 1950 the house opened on February 16 and morning sittings began on the 69th day which fell on June 1. In 1951 the house opened on January 30 and morning sittings began on June 11 which was the 88th day. In the second session of 1951 morning sessions began on the 45th day. In the session of 1952 morning sessions began on the 71st day. In the 1952-53 session morning sittings began on the 84th day. Both the 1952-53 session and the 1953-54 session began in the fall of the year and in the 1953-54 session morning sittings began on May 31. Again in 1955 the situation was similar. All through the record in every year, with I think two exceptions, the house has commenced morning sittings on from the 71st day to the 88th day. Those were the halcyon days when hon. gentlemen opposite occupied the treasury seats. They said that was the proper course to follow and that it was necessary to have morning sittings.

My suggestion was not accepted. A further amendment has been accepted whereby sittings will also take place on Saturdays. I can understand the reason for that. Members who live far from Ottawa spend their week ends here, unable to return to their homes. Anxious as they are—as the hon. member for Vancouver East explained—to see their wives and families, they are denied that opportunity. Longer and longer the sessions are being extended. The general feeling of the house was obvious. Otherwise the opposition would have called a vote against that amendment. They did not do so. Obviously, it was a general feeling that Saturday sittings would be appropriate having regard to the present circumstances.

Mr. Pickersgill: I am rising on a point of order, Mr. Speaker. I understand that it is contrary to the rules of this house to discuss a decision of the house. Since Your Honour has ruled that there was a decision of the house, I trust that the rules will be observed impartially as among all members of the house.

Mr. Speaker: It is correct that it is not in order to reflect upon a decision of the house. I understood that the Prime Minister was referring to the methods or the activating force or what might be the actuating force.

Mr. Pickersgill: A decision has already taken place.

Mr. Diefenbaker: Mr. Speaker, I was not reflecting in any way. The opposition sat inert, except for three members—

Mr. Pickersgill: On the point of order, Mr. Speaker, may I say that this is a discussion of a decision that has already taken place, and of a decision already made. Since the rules are to be so strictly applied today, I suggest that they be applied impartially.

Mr. Speaker: I understand that the rule is against the criticism of the decision itself. I did not understand the Prime Minister to be criticizing the correctness of the decision.

Mr. Diefenbaker: I emphasize this point. The opposition had many more hon. members than were necessary to rise and secure a division. They sat silent, excepting for three who stood. The hon. member for Essex East saw what was going on behind his back while he faced the opposition, a not unusual position for him to occupy or adopt. They sat and they waited, and they waited until the Speaker declared the amendment passed. Then they rose and raised strong objection.

As far as Saturday sittings are concerned, I think no harm will be done to the opposition and I would be the last to do anything that would prevent them talking. I say this, Mr. Speaker, because as I have gone across this country I have learned that the more they talk, the better for the government, if their

criticism is like some of their recent criticism in regard to measures beneficial to Canada which have been opposed simply for the sake of opposing them.

Let me go on from there. They pose today as lovers of parliament. I think Saturdays could well be set aside, if the house agrees, for dealing with the supply of various departments. There will be that fine spirit of co-operation of which hon. gentlemen opposite have spoken. On Saturdays various departments could be dealt with. I would not want to see controversial measures dealt with on Saturdays because I would want to be assured that as many hon. members as possible would be present, not only from the opposition but on the government side. In any event, I think we could get together when controversial matters are to be discussed.

I think a step forward has been made today in this regard. On Saturdays we could deal with supply in respect of which, by agreement among the leader of the government in the house, the hon. member for Laurier and the hon. member for Kootenay West, they would have no difficulty in getting together and reaching the fullest agreement. These matters could be discussed on Saturday without in any way depreciating the opportunity of the opposition, including the hon. member for Essex East—

Mr. Martin (Essex East): You know that is not true.

Mr. Diefenbaker: —to fully discuss matters as they arise.

I cannot let this opportunity pass. One hon. member opposite said he could not believe that my immediate predecessors would ever have allowed anything being done which would shock the parliamentary tradition. What has been done today has given the house every opportunity. The house took its stand on this amendment and it was passed on division. I again underline the fact that those who yell the loudest opposite were the most silent until they were sure that the amendment had in fact been passed. Then they rose.

They talk about those other days. I am not going to go back over those days. The hon. member for Bonavista-Twillingate read an excerpt from a statement I had made regarding parliament. Mr. Speaker, do they forget the crimes they committed against parliament? Do they forget those days of 1955 and 1956? I am not going into particulars unless they ask for them. They muzzled parliament—

Mr. Martin (Essex East): Nothing like this government. This government is the greatest muzzler of all parliaments.

[Mr. Diefenbaker.]

Mr. Diefenbaker: I remember what they did to the rights of parliament. Do they remember that black Friday when they trampled on the rights of parliament? One of the leaders in that regard was the vocal hon. gentleman from Essex East.

I quote an article with approbation. I have before me—I sent for it while the hon. gentleman was speaking—the University of Waterloo *Review*. I know the hon. gentleman has read it. The article is entitled "The Fifties: An Ottawa Retrospect" and it is written by Mr. Michael Barkway.

Mr. Martin (Essex East): A friend of the Prime Minister.

Mr. Diefenbaker: He is not generally a friend of this government, as he does not approve of what we do.

Mr. McIlraith: He is finding out.

Mr. Diefenbaker: However, he did have some views on those who sit opposite today, the three horsemen. Yes, they indeed belong to the Apocrypha. They trod on the rights of parliament and destroyed every principle for which parliament has stood through the years. And they rise today and say that because they failed to demand a vote on the amendment, which was accepted by them in silence, their rights were taken away.

We did not impose this amendment on the official opposition. The amendment was from the C.C.F., or the New Party, whichever the expression may be that applies at the moment. They sat silent. Never did the opposition place before the house an amendment that was generally acceptable until after it had been passed.

What does Mr. Barkway say? He is one observer who lived through this period in Ottawa, and he is speaking of the period between 1955 and June of 1957 as he refers to a book by James Eayrs:

> But I am one observer who lived through the period in Ottawa and find the memory both poignant and painful. They were always foreboding: a Canadian Gotterdammerung, unrealized or misunderstood by its principal actors.
>
> There is no question that the political gods were old and tired.

These are they who now speak of parliamentary greatness. Then Mr. Barkway continues:

> By October, 1955, the cabinet was unhappy and rudderless.

The hon. gentleman speaks about the days of my predecessors. I am reading an article by a man who is not unfriendly to the opposition. Mr. Barkway goes on to say:

> Its self-preoccupation largely detached it from public sentiment. It was giving first priority to the difficult task of hanging together. In June 1957, at the end of the period covered by Mr.

Eayrs' book, it accomplished the task in a manner which few of its ministers had thought conceivable; nine of them mounted a common gallows.

These are the words of a gentleman who, as I say, is not unfriendly to the opposition. Then he makes an observation regarding the hon. member for Essex East which I think is particularly appropriate today. This is why I sent out for this booklet. He describes the bungling, myopia and the self-preoccupation and smugness of the Liberals. He does not think much of us, either. Then he says:

Dr. Eayrs most properly devotes the longest chapter of his book to this subject. It is sandwiched between an account of the travails of the truce commissions in Indo-China and a spine-tingling tale of Mr. Paul Martin's efforts at the UN assembly of 1955 to secure the admission of new members (which loses nothing of excitement by drawing heavily on Mr. Martin's own version of it).

Mr. Martin (Essex East): I must read that article.

Mr. Diefenbaker: This is dealing with those days of alleged parliamentary greatness. Then the article goes on to say:

Examples of the confusion and mismanagement in this most vital area of foreign policy could fill a book.

Then he goes on to say—and I will deal with this in future days in the form of fair debate if the opportunity arises—

Astounding as this was, it was not the worst of it. The worst of it, which has never before been told is that the draft note—

This has to do with the Columbia.

—which Mr. Pearson and Mr. St. Laurent both approved did not mention the adequacy of the 1909 treaty; it actually said that it was not adequate to deal with the Columbia case.

Then follow the words:

There can seldom have been a more timorous or unnecessary surrender.

I have given just a brief outline. I know hon. members will be encouraged to read the rest about those who in their day and generation did their best to destroy parliament, intimidate the opposition, refuse to accept any suggestion if it did not come from those surrounding them. And they tell us today that we have done a hurt to parliament. I think we have gone further than any government has gone before in giving the house and the private members of parliament the right to determine one thing: how long do they want to sit? Is it fair that we should sit for but a few hours a day as has been the case in the past for a long period of time and then, in the end, deny the fullest discussion? By what we are doing we shall provide the opposition with the fullest opportunity to discuss the issues and to debate them. On Saturdays, if hon. gentlemen opposite desire, there is no reason whatever why we should not by agreement be able to choose for discussion subjects that will not be controversial.

One word as to the observations of the hon. member for Laurier. The hon. gentleman is experienced. He has shown a sense of restraint and wide knowledge as he placed before the house his ideas. The hon. member for Port Arthur, taking a similar attitude, did the same and I feel that the suggestions made deserve to be studied. What we must try to do is to make parliament more effective and more efficient while at the same time denying to no member the fullest opportunity to discuss, to criticize and suggest alternatives, for unless there is that discussion there cannot be the attainment of any objective of legislation which is both beneficial and effective.

I will do everything I can on the basis of the recommendations made by those two hon. gentlemen. I place myself behind several of them most strongly and I hope the committee as it meets will be able to determine what changes should be recommended which will bring about the fullest discussion while maintaining at the same time a degree of responsibility in carrying out the trust which has been placed with us. In all the circumstances, of course, in so far as the motion is concerned, in view of the unanimity which has been expressed, with the exception of three who stand alone, I feel we should accept the amendment to the motion, and then in the light of experience we shall know how it will work out. If, later on, it is found that some changes might be made I shall be the first to join with hon. gentlemen opposite in suggesting such amendments as experience may dictate. What we are trying to do is not to rush the house to a conclusion. What we are endeavouring to achieve is an orderly, carefully conceived, fully documented opportunity for all to discuss these matters of great importance to the country.

Again, I emphasize that if our experience indicates that what has been done deserves further amendment there will be no delay in providing the house with an opportunity to make the necessary changes, all directed to one end, namely to make parliament stronger, more effective, and more deliberatively able to carry out the task that rests upon it and upon all hon. members of the house.

Mr. Chevrier: May I ask the Prime Minister a question? In view of what the right hon. gentleman has just stated concerning the proposal which I have just made, will he not consent to the adjournment of this debate, until, say, Wednesday, at which time it might be possible for the leader of the house and the spokesmen for the other parties to consider organizing the business of the house in a more orderly way?

Mr. Diefenbaker: I can only say that the organization of the business of the house is a subject which has had the attention of hon. members throughout the years. It has been discussed on occasion after occasion.

Mr. Chevrier: Not on this basis.

Mr. Diefenbaker: Last year the committee made recommendations, as did an earlier committee in 1955. This debate is, of course, concluded, but if, as a result of co-operation between hon. members opposite and those of the third party, there are changes that should be made I will be the first to suggest that they be made.

Motion as amended agreed to on division.

EXTERNAL AFFAIRS

AFRICA—EDUCATIONAL ASSISTANCE TO FRENCH SPEAKING STATES

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I have a statement to make concerning educational assistance to French speaking African states.

The government's attention has been directed to the present needs and to the number and complexity of the difficulties which will confront the emergent nations of Africa in the field of education for some years to come. We have been impressed by their problems and as a result the government has approved in principle the establishment of a Canadian program of educational assistance for the newly independent French speaking African states.

The plan will be entirely separate from any scheme now in existence and should serve to balance Canada's educational assistance program in general. The existing commonwealth education program, while national in character, by its very nature limits the extent of participation of our excellent French speaking institutions and resources. We are confident that these will be used to good advantage in the application of the new plan.

It is proposed that the educational assistance plan for French speaking African states will provide grants of the order of $300,000 annually. Subject to the views of the various parties concerned with the development and execution of this scheme this amount could be applied toward scholarships, the provision of teachers and teacher training or to other types of educational assistance as may seem practicable and desirable.

The countries to which the scheme would be directed are vitally preoccupied with the serious task of improving their educational facilities and with expanding educational opportunities for their peoples. They have repeatedly expressed their need for scholarships abroad for French speaking students and for French speaking teachers in their own countries. Because of our genuine interest in their welfare and progress and because we share a common language with these new states, Canada is in a unique position to render the type of assistance required. It is therefore the intention of the government to ask parliament to appropriate the funds necessary for this purpose once details have been worked out with the provincial educational authorities.

The new program will result in especially heavy demands on Canada's French speaking educational resources which, like all our educational facilities throughout the country, are already strained. Nevertheless I am confident from past experience and from the expressions of public interest already made regarding this type of venture that when an approach is made the provincial authorities and others concerned in the development and operation of the scheme will respond promptly and willingly. The government therefore intends to seek the co-operation and advice of the provincial educational authorities and the educational organizations and institutions at an early date for the successful implementation of what I am certain the house will agree is a purposeful and timely step.

It is also the government's hope to draw upon the advice and the experience of the United Nations educational, scientific and cultural organizations—better known as UNESCO—in setting up and in operating the new program. A conference sponsored by UNESCO will be held in Addis Ababa next month to examine the educational needs of the African states and to draw up plans to meet those needs in the coming years. It is the government's intention to accept an invitation to send a Canadian observer to these meetings and thus to acquire firsthand knowledge of the educational problems of the area. Information obtained at the conference would eventually be most useful in our own planning for the successful development and execution of the Canadian plan.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I am sure the house will be very happy about the announcement which has just been made by the Secretary of State for External Affairs. In so far as we on this side of the house are concerned, we have no hesitation in commending the government for this step, which has just been announced, in setting aside the sum of $300,000 as a fund for scholarships.

(Translation):

The Secretary of State for External Affairs will remember that this matter has been discussed more than once in this house, not only by opposition members but by other members as well.

It seems that the decision taken by the government is not only commendable but that it will be welcomed by French universities in the province of Quebec, as well as in other provinces.

In addition, I am particularly glad that the government has decided to confer with provincial authorities regarding the program it intends to submit.

Once again I express our satisfaction to the government. When we reach this item in the departmental estimates, we will take that opportunity to discuss the matter.

I should like to assure the minister right now that we are entirely satisfied with his plan.

(Text):

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, speaking on behalf of this group I wish to say that we heartily endorse this plan announced by the Secretary of State for External Affairs in respect of Canada assisting in the educational development and advancement of the French speaking African states. We are quite confident that those teachers who go to these countries will do credit to Canada and will be of assistance to the people they aim to serve. I think this program will further indicate, first, our interest and concern in the welfare and development of the persons in these African states and, second, it will be a happy reflection on our national cultural heritage and its development into the international sphere.

MOTIONS FOR PAPERS

URANIUM—CURTAILMENT AND ALLOCATION OF CONTRACTS

Motion No. 103—**Mr. Herridge (for Mr. Argue):**

For a copy of all correspondence, telegrams, and other documents exchanged between the federal government, or any agency thereof, and any provincial government, organization or company, since February 22, 1960, pertaining to (a) the curtailment of (b) the allocation of, uranium contracts.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, this motion is accepted subject to reservations. In one instance the case is before the courts and it might be prejudicial to table the documents. In another, I observed some intimate details concerning the operation of the company which might be of interest to competitors and I think it inadvisable to table such information.

These are the type of reservations I have in mind, and the motion is accepted with that understanding.

Mr. Herridge: That is reasonable.

Motion agreed to.

HAINES CUT-OFF HIGHWAY SURVEY

Motion No. 110—**Mr. Howard:**

For a copy of the report arising out of the economic study or survey regarding the Haines cut-off highway.

Hon. G. E. Halpenny (Minister without Portfolio): Mr. Speaker, the motion of the hon. member for Skeena was the subject of a question asked by him some two and a half months ago. I would refer him to *Hansard* for February 8, 1961 where, at page 1844, he will find that the minister indicated that the report referred to was a privileged document prepared for an interdepartmental committee and would therefore not be tabled in parliament.

Mr. Speaker: Having heard the objection is the hon. member who moved the motion prepared to drop it?

Mr. Howard: No, Mr. Speaker, I think you should put it.

Mr. Speaker: On the motion of the hon. member for Skeena for a copy of the report arising out of the economic study or survey regarding the Haines cut-off highway, those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those against will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it and I declare the motion lost on division.

Motion negatived on division.

POST OFFICE SITE, RESERVE MINES, N.S.

Motion No. 111—**Mr. Herridge (for Mr. Argue):**

For a copy of all correspondence, contracts, and other documents exchanged between the Department of Public Works and any organization, company, or person since January 1, 1958, regarding the purchase of a site on Sydney road, Reserve Mines, Nova Scotia, for the purpose of erecting a post office.

Motion agreed to.

TRANSPORTATION

ROYAL COMMISSION—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker may I direct a question to the Prime Minister. I would like to ask the Prime Minister whether the government has made any

decision in connection with the four recommendations made by the royal commission on transportation in its first report?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as I said the other day, the government is giving the fullest consideration to this matter, and when I am in a position to do so I will make an announcement in the house. I did point out today that, in so far as the Freight Rates Reduction Act is concerned, one of the earlier steps taken will be the continuation of the provisions of that act for a further period.

In so far as the railways and their relationship to the union representatives are concerned, yesterday the Minister of Labour suggested a meeting among the presidents of the two railways and Mr. Hall and any other person chosen by him, with a view to their having preliminary talks as a prelude to full scale negotiations between the management of the railways and labour. Both parties agreed to this suggestion, and my information is that a meeting is taking place today.

Mr. Chevrier: A supplementary question. With reference to the Freight Rates Reduction Act, which the Prime Minister said earlier would be extended, is he able to tell the house for what length of time that statute will be extended? Will it be the usual 12 months period or for a nine months period, as in the case of the former extension?

Mr. Diefenbaker: Knowing the experience that the hon. gentleman had on the treasury benches, I would think he would agree with me that it would not be proper to indicate in advance, before the introduction of a resolution in that connection, the length of time of the extension.

VETERANS AFFAIRS

REQUEST FOR REDUCTION IN SMALL HOLDING REQUIREMENT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Veterans Affairs which is of urgent concern to a number of veterans in various localities in Canada.

Will the minister inform the house whether during the Easter recess he found the opportunity to study the comprehensive survey he mentioned on March 29 with respect to acreage requirements under the small holdings section of the Veterans' Land Act? Is he now in a position to make an announcement that will lighten the hearts of many veterans at present denied the opportunity to build under this section of the act owing to the acreage requirements?

Hon. Gordon Churchill (Minister of Veterans Affairs): I appreciate fully the urgency of this matter in so far as certain veterans in British Columbia are concerned. The difficulty that faces us is that what is being asked for is a change in the Veterans' Land Act, which has been in effect now for a good many years. The change would have to be applicable to every province in Canada from coast to coast. This is one aspect of the problem which makes it difficult for an immediate decision to be announced.

The second aspect is that considerable additional financial obligation will be incurred if the proposed change is made. However, what I would suggest to the hon. member is that if he will be patient for a little longer—this has been going on now for 16 years and I am just asking him to be patient for a few more weeks—perhaps we will be able to give him a favourable decision.

EXTERNAL AFFAIRS

CUBA—INQUIRY AS TO ARREST OF CANADIAN PRIESTS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Secretary of State for External Affairs. Is he in a position to advise the house as to the position of four Roman Catholic priests who are members of the foreign mission order in Montreal? Has the minister learned of the reasons for their arrest? What representations are being made by his department to the Cuban authorities?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, our embassy in Havana has been doing its best for some days now to obtain the release of those priests. The last word I received was to the effect that they were still in custody. In addition, a fifth man, not a clergyman, was arrested. I believe he has been released.

TRADE

URANIUM—INQUIRY AS TO NEGOTIATIONS WITH UNITED KINGDOM

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to direct a question to the Prime Minister and ask him whether he is yet in a position to advise the house as to when the delegation will be going to London to resume negotiations in connection with the uranium deal?

Right Hon. J. G. Diefenbaker (Prime Minister): The date of the departure of the delegation has been under consideration, and I hope to be able to give that information very shortly.

ADMINISTRATION OF JUSTICE

BRITISH COLUMBIA—INQUIRY AS TO STEPS TAKEN TO PROVIDE PROTECTION

On the orders of the day:

Mr. M. L. McFarlane (Kootenay East): I should like to address a question to the Minister of Justice. In view of the acts of violence such as took place at Wynndel, British Columbia, on April 14 whereby over $2,000 damage was done to a grain elevator, and an attempt was made to blow up an Anglican church, will the minister advise what action his department will take to protect the lives of families in the Creston valley area?

Hon. E. D. Fulton (Minister of Justice): I thank the hon. member for giving me notice of his intention to ask this question. It gives me an opportunity to express very deep regret at this outrage and certainly to hope also that this will not mark the beginning of a series of outrages such as took place there in former years.

In so far as the question itself is concerned, I have to advise that under our system responsibility for the protection of life and property is that of the province. This has been the position maintained in this regard in connection with these incidents, subject, however, to the understanding that the federal government would at any time be prepared to consider sympathetically any reasonable request made by the province for special assistance required for the protection of life and property; but the initial responsibility is that of the province.

SUPPLY

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee of supply.

TRADE—ALLEGED FAILURE TO PROMOTE SECONDARY INDUSTRIES

Hon. Lionel Chevrier (Laurier): Mr. Speaker, this motion to go into supply gives the opposition another opportunity to raise matters about which it seeks to complain from time to time. Of course, I would have preferred to have this motion put earlier. However, there are events which take place in the house over which neither the opposition nor, for that matter, a private member has control. At the outset, before going into the subject which I desire to submit to the house on this occasion, I do want to say that from time to time we have repeatedly made the statement and the charge that the main features of the present Conservative administration seem to be confusion, indecision and lack of leadership. It could be easily shown that on more than one occasion that was the position of the government. Certainly, that can be said in the field of national defence. As the house knows, the government is acquiring very expensive equipment, but no decision has yet been taken in so far as the use of nuclear weapons is concerned.

The government is building two Bomarc missile bases in northern Ontario and northern Quebec which, in order to be effective must be equipped with nuclear weapons, but still the decision in so far as those weapons are concerned has not yet been taken. The same can be said in the field of monetary policy. The government refuses to accept any responsibility—

Mr. Fleming (Eglinton): I rise on a point of order, Mr. Speaker. Evidently we are to have a repetition of what was attempted by the Leader of the Opposition on the last motion to resolve the house into committee of supply. On that occasion the Leader of the Opposition began by talking about a number of subjects before indicating to the house what was to be the specific alleged grievance that was to be the subject matter of his amendment. Already the hon. member for Laurier is into a second subject and appears to be ready to repeat the tactics of the Leader of the Opposition on the last occasion.

You will remember, Mr. Speaker, that when objection was taken at that time you made a ruling and you were quite definite in drawing attention to and, indeed, enforcing the well established rule of the house that on an occasion of this kind an opportunity is given to the opposition to raise a grievance and on such a motion we do not proceed to a second grievance until the first one is disposed of. Other hon. members are entitled to discuss the first grievance before a second one is raised. That is the well established rule and a rule that you enforced on that occasion.

The hon. member has begun by talking about defence questions and now, as a second subject, he apparently proposes to talk about monetary policy. I suggest that if he has chosen to discuss defence as a matter of grievance other hon. members are entitled to submit their views on that subject to the house before any hon. member goes on to raise a second grievance. If the hon. member for Laurier should choose to discuss the second subject he has mentioned, namely, monetary policy, it is quite obvious that has

already been the subject of an amendment on a previous occasion on a motion to resolve the house into committee of supply and has been disposed of by decision of the house. Obviously it is not open to the hon. member to raise that subject again on a motion of this kind.

Therefore, Mr. Speaker, I submit it would be the proper course in seeking to make debates of this kind orderly if the hon. member, who evidently intends to introduce an amendment, were called upon to indicate the nature of that amendment to begin with before entering upon a general review of a number of subjects which is apparently what he is now seeking to do in breach of the rules.

Mr. Chevrier: Mr. Speaker, it looked very much as if the Minister of Finance was going to take far more time than I in dealing with a point of order which I submit with deference is not well taken.

An hon. Member: With a lot more sense though.

Mr. Chevrier: The Minister of Finance has referred to several grievances that are being taken up by myself seriatim. That is not the case. I made one passing reference to national defence. Then I went on to another matter as, I submit with deference, I have a perfect right to do. When I come to the matter that I intend to discuss in detail I will indicate to the house what it is and then move an amendment. I say it is not contrary to the rules of the house to do what I have done up to this moment, namely, to make a passing reference to a policy or to a lack of policy on the part of the government. That is all I have done. I have dealt with one such matter and I propose to proceed to deal with another. I submit to you with deference, sir, that surely I have a right to do that in moving an amendment to a motion to go into committee of supply.

Mr. Speaker: I think the hon. member for Laurier will agree with me that a supply motion offers an opportunity to debate a specific grievance and that, to avoid the problem of a debate without margins or limits, the practice on supply motions has been to indicate the general area of debate, either by indicating what the amendment is if an amendment is to be moved or by indicating what area the amendment will cover, before proceeding. Otherwise, a problem does arise, as has been pointed out by the Minister of Finance, and did arise on the last supply motion which caused some considerable difficulty because of the reference to a great many subjects which were actually not covered and could not have been covered under the amendment finally moved.

[Mr. Fleming (Eglinton).]

I raise no objection to the hon. member referring to a number of other items. The rule is against debating items which are not germane to the amendment that he proposes to move. I think it would be good practice, as has been established by our proceedings in the past, for the hon. member to indicate at the outset of his speech the area he proposes to cover, just as is done after the amendments are disposed of. A member rises, discusses a specific item of grievance, and is entitled to deal with only one item.

Mr. McGee: On the point of order, Mr. Speaker, I should like to request direction from you. In dealing with a side issue in passing the hon. member has made a misstatement of fact, and I am wondering what position we are in from the point of view of correcting his misstatement.

Mr. Speaker: If the hon. member wishes to speak to the point of order and indicate that he disagrees with the interpretation of the hon. member for Laurier, he has the opportunity to do so now before the point of order is disposed of. If the hon. member wishes to make a point by way of objection, I should like to hear it.

Mr. McGee: It is not a question of interpretation. The hon. member made the statement, and I copied down his words, that the Bomarc missile requires a nuclear warhead in order to be operative. That is clearly not in accordance with the facts.

Mr. Speaker: I am sorry but I misunderstood the hon. member. I thought his intervention related to the point of order and not to the substance of what had been said.

Mr. Chevrier: To come back to the point of order, Mr. Speaker, I have no fault to find with the statement you have just made in which you indicated there is nothing objectionable about a general discussion provided the member speaking does not go into detail. That is what Your Honour ruled in connection with the earlier debate to which the Minister of Finance referred, and that is exactly what I intended to do, namely, to make passing references in a general way and then go on to the subject with which I intend to deal. As found on page 3134 of *Hansard* for March 20, 1961, Your Honour said:

> I have listened carefully to the Leader of the Opposition. While I expected a certain amount of general discussion as he was getting his argument focussed on the subject he intended to deal with, it seemed that after he had dealt with the convention of last week he skipped through unemployment in general terms and is now on monetary policy.

Mr. Fleming (Eglinton): Go on. Read the next sentence.

Mr. Chevrier: I have no objection to putting the next sentence on record.

I believe that if the Leader of the Opposition has a specific amendment he should come to the point, so as to put some proper limit on this debate for those who have to follow. If he does not do so there is no limit for any other speaker.

The point is that I had not had the opportunity to deal with any matter because I was interrupted. I was saying that in the field of monetary policy the government refuses to accept any responsibility although—

Mr. Fleming (Eglinton): Mr. Speaker, I rise again on a point of order. The hon. member in addition to defying your ruling—

Mr. Speaker: Order. As I understand it, I am hearing the hon. member on the point of order.

Mr. Fleming (Eglinton): No. With respect, Mr. Speaker, the hon. member was obviously going on with his speech and, quite apart from defying your ruling with regard to stating a grievance and confining discussion to that grievance—

Mr. Pickersgill: A ruling has not been made yet.

Mr. Fleming (Eglinton): —he is proceeding to talk about monetary policy which has already been the subject of a determination by this house in the clearest terms at the present session.

Mr. Speaker: I was looking at Beauchesne at the moment the hon. member for Laurier got beyond the point of order, if he did get that far. I wish to refer to the citation about debate on motions for supply. It is citation 234 in the fourth edition. I should like to read the first paragraph which is as follows:

234. The ancient doctrine that the redress of grievances should be considered before the grant of supplies is maintained in the House of Commons of Canada.

(1) Whenever an order of the day has been read for the house to resolve itself into the committee of supply or the committee of ways and means, the motion "That the Speaker do now leave the Chair" must be proposed, except on Wednesdays, Thursdays and Fridays as provided by standing orders 56 and 58. When such motion is proposed, it shall be permissible to discuss any public matter within the powers of the federal parliament or to ask for the redress of any grievance; provided that the discussion shall not relate to any decision of the house during the current session, nor to any item of the estimates, nor to any resolution to be proposed to the committee of ways and means, nor to any matter placed on or whereof notice has been given in the order paper.

The debate in such a case is limited by the rules respecting past decisions, anticipation, sedition, reflections on the Senate—

And so on. The reference, of course, is to "redress of any grievance". I think the fact that the word "grievance" is in the singular is significant. I refer the house to a decision of my predecessor in the chair which indicates that a specific matter should be discussed at this time. This decision will be found in *Hansard* of May 16, 1955, volume 4 at page 3790. I do not wish to take up more time because I think there is perhaps little difference between what I have been saying and what the hon. member for Laurier proposes to do. However, I do not agree that he can debate at large other matters than the one which he proposes to make the subject of his grievance and which he can debate only if it comes within the citation I have read. Therefore the proper course to follow in raising a grievance in going into supply is for the hon. member, when he starts, to state the grievance at least in terms sufficient to delimit the area of discussion.

Mr. Chevrier: I do not think I have any fault to find with your decision, Mr. Speaker. If I understood it aright, I certainly can make a passing reference to some of the matters that have been determined by the house or have not been determined as the case may be and then come to the matter which I intend to raise.

Mr. Speaker: If the hon. member will permit me to interrupt again, may I make this observation. What I was trying to say about passing reference was that, in the course of debating his grievance, he certainly would not be tied to the point where he could not refer in passing to other matters provided he did not enter into debate of those matters. I believe that was the substance of my remarks which he cited earlier.

Mr. Chevrier: The question I intend to discuss is one having to do with trade. I might as well tell the house that immediately. I say that here there has been the same kind of lack of leadership and the same kind of indecision—

An hon. Member: And the same speech.

Mr. Chevrier: —that we have seen from time to time on other matters. Certainly that is the case in connection with the report of the royal commission on transportation. That report has been in the hands of the government now for several weeks; and although the matter is one of grave consequence, the government does not seem to be able to make up its mind although there is a strike deadline just ahead of us on May 15 or May 16.

Mr. Diefenbaker: Has the hon. gentleman any more suggestions—

Mr. McIlraith: Order.

Mr. Diefenbaker:—or scattergun objections?

Alleged Lack of Trade Policy

Mr. Chevrier: The Prime Minister (Mr. Diefenbaker) asks if I have any more suggestions. I simply say this to the Prime Minister. The responsibility is his. He has in his hands an important document. It seems to me that the house should be entitled at this time if not earlier, to some indication of what the government intends to do. However, we are far from getting such indication. Only this afternoon did we obtain some indication of what the government intends to do in so far as the Freight Rates Reduction Act is concerned. Then again, since there is going to be an amendment to that act, as the Prime Minister has indicated, there must be a statute.

Mr. Speaker: Order. I understood that the hon. member for Laurier does not propose to move an amendment in that field of transportation. It seems to me that, in addition to illustrating his point which I take it was lack of decision on the part of the government, he has gone on to debate the matter and that he should now return to his grievance.

Mr. Chevrier: I disagree with you respectfully, Mr. Speaker, I did not go on to debate the matter until after I was asked by the Prime Minister a question as to what suggestions I had to make. My reply was that the responsibility was his. From there I went on to say that here is a statute, the Freight Rates Reduction Act—

Mr. Diefenbaker: I rise on a point of order, Mr. Speaker. What I said was this: What is your next scattergun objection? In other words I was simply referring to the fact that the hon. gentleman is just playing ducks and drakes with the ruling which Your Honour made.

Mr. Pickersgill: Mr. Speaker, I listened with more care perhaps to what the hon. member for Laurier was saying because I was not thinking of making any interjection. As I recall it, what the hon. member said was that he intends to discuss the matter of trade about which there has been indecision and so on and that this was characteristic of the government. In making his argument he was giving a certain number of analogies. The Chair has ruled over and over again that in argument analogies are certainly in order even if they relate to other matters.

Mr. Speaker: I think the proposition stated by the hon. member for Bonavista-Twillingate is unexceptionable. However, the hon. member for Laurier, far from limiting his remarks to an analogy, was making some positive debating assertions about the attitude of the government, a procedure which to my mind is quite out of order in view of what he has indicated hitherto.

Mr. Chevrier: I of course, accept your ruling, Mr. Speaker. However, I contend that if I went beyond the rules, it was certainly under provocation.

I say, Mr. Speaker, that it is in the field of trade that perhaps there has been the greatest confusion on the part of the government. We all remember the famous trade diversion proposal made by the Prime Minister in July of 1957. It was intended to increase our trade with the United Kingdom. The United Kingdom took the Prime Minister's proposal seriously and in September of 1957 it presented a counter proposal. It presented to the government a free trade proposal which was the only concrete and practical way of attaining the objective expressed by the Prime Minister in July. What was the reaction of the Canadian government to that proposal? In an earlier debate I had occasion to state what the reaction was.

Mr. Fleming (Eglinton): To misstate it.

Mr. Chevrier: However, in effect there is no doubt that the government refused even to consider the proposal of the British government; and in this house, in spite of our repeated demands, we were not successful in getting from the ministers any statement about this proposal. In other words, the proposal of the British government was simply ignored by those who sit opposite me at the moment. Instead of seriously considering the British offer, the government in the fall of 1957 decided to send a trade mission to the United Kingdom. But it was a buying mission, and the slogan then used by the government was "Buy British".

This was in the fall of 1957. However, in the 1958 budget the Minister of Finance decided to increase the tariff on British woollens. They constituted, as the house knows, one of the main export items of the United Kingdom to Canada. That was the answer which was made by the members of the government to those in the United Kingdom who had something constructive to offer.

Mr. Fleming (Eglinton): Will the hon. member permit a question?

Mr. Chevrier: Yes.

Mr. Fleming (Eglinton): Does the hon. member say that, having regard to the report of the tariff board upon which we acted, and the condition of the woollen textile industry in Canada, this proposal to the house was not a proper proposal at the time, and he condemns it?

Mr. Chevrier: The answer to that question is quite simple and I will be dealing with some aspects of the textile industry later on.

However, the point is that notwithstanding the offer which was made, even although there was a proposal from the British government, the government "upped" the tariff against British woollens. There can be no denial as far as this is concerned.

Mr. Fleming (Eglinton): Do you say we should not have done it?

Mr. Chevrier: Later during the session of 1958 the government decided to amend the Customs Act in order to re-establish the system of arbitrary valuations which had been established during the Bennett regime. This legislation gave to the cabinet and the Minister of National Revenue wide arbitrary powers to raise the tariff by order in council. This was not only incompatible with the spirit and the objectives of GATT, but also with our system of parliamentary democracy.

According to the government at that time, the new legislation had become absolutely necessary and essential to protect Canadian industry. However, as a result of strong protests from the governments of the United Kingdom and the United States we have been told that the legislation which was so essential in 1958 has been very seldom applied since.

I think in answer to a question in this house the Minister of National Revenue (Mr. Nowlan) was unable to say whether or not it had been used, or stated that if so, it had been used very infrequently.

Canadian industry, therefore, has not received the protection it had been led to expect from the government, but none the less ministers have retained the arbitrary powers they should not have in a parliamentary democracy. In 1959—

Mr. Fleming (Eglinton): Mr. Speaker, on a point of order—

Mr. Chevrier: Mr. Speaker, I do not yield the floor to my hon. friend.

Mr. Fleming (Eglinton): I am rising on a point of order, Mr. Speaker. I do not care whether or not the hon. member yields the floor; I am rising on a point of order.

The hon. member for Laurier (Mr. Chevrier) has purported to attribute a statement to my colleague, the Minister of National Revenue (Mr. Nowlan). The hon. member has not quoted the statement from *Hansard,* and I say that the statement he has attributed to my colleague is not the statement my colleague made.

My colleague said it had not been necessary to use those powers—

Some hon. Members: That is not a point of order.

Mr. Deputy Speaker: The minister has risen to express his disagreement with a statement made by the hon. member for Laurier (Mr. Chevrier). The practice of the house is that the minister would be allowed to rise and make the correction after the hon. member for Laurier had resumed his seat. I think this is the proper course to follow.

If the hon. member for Laurier yields the floor for the minister to make a correction, that is all very well; but if he does not yield the floor for such purpose, the practice is that such correction of a misstatement or misunderstanding should be made after the hon. member who has the floor has resumed his seat.

Mr. Chevrier: I have yielded the floor to my hon. friend on several occasions. I do not propose to do so again unless it is in accordance with the rules of the house.

I continue from where I was interrupted to say that in 1959 the government continued to follow a timid, protectionist policy which certainly did not help Canadian industry but was enough to give us a bad reputation in countries outside Canada.

The Minister of Finance continued to appear to be a strong supporter of GATT, in words of course, but how could Canada's words be taken seriously in international meetings when in fact in the fall of 1958 the Minister of National Revenue had violated the very spirit of GATT?

Meanwhile the government expressed its timid approval of the two new trading blocs emerging in Europe, although, as it now appears, it was strongly opposed to a unified European common market. This was a most inconsistent attitude to take.

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

Mr. Chevrier: The government failed to see that the emergence of two separate trading blocs in Europe was not only artificial but also undesirable. It was obvious from the beginning that the formation of the outer seven was mainly a bargaining move intended to bring about a European trade community which negotiations between individual nations had failed to achieve.

The government's confusion, however, became complete in 1960. It accepted, with at least some apparent enthusiasm, a full membership in O.E.C.D., which is supposed to foster European economic unity, but both the Minister of Finance and the Minister of Trade and Commerce (Mr. Hees) threatened to take retaliatory action against the United Kingdom—

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

Mr. Chevrier: —if the British government accepted the terms required by the common market countries to bring about such economic unity.

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

Mr. Chevrier: The Minister of Finance says that is not true. I hold in my hand a press clipping from the Regina *Leader-Post* entitled:

Mr. Fleming's protectionist approach to Europe paying lip service to free trade.

This article is dated November 29, 1960.

Mr. Fleming (Eglinton): What was the source?

Mr. Chevrier: I said, the Regina *Leader-Post*. The article continues as follows:

A highly protectionist frame of mind and intent, based on fear, now stands revealed in two new documents presented by and given the blessing of Canada's Minister of Finance, Donald M. Fleming.

One of the documents, an address delivered by Mr. Fleming to the Canadian industrial editors' association last week at Ste. Adele, Quebec, outlined at length the official government reaction to the new European trading groups.

The article then goes on and states:

Mr. Fleming, of course, reiterates his violent opposition to Britain entering the European common market in any way. He finds it difficult to see how any accommodation which the United Kingdom might make with the "Six" nations "could fail to damage to some degree, and perhaps seriously, Canadian interests".

This article continues:

But by far the most significant words used by Mr. Fleming in both his Ste. Adele address and his *Times* article, filled in this important detail:

This paragraph is in quotations:

"If," he says, "the more damaging possibilities in fact materialized, if the impact on free entry and commonwealth preferences were far-reaching and if reverse preferences were created against us, there would be Canadians who would claim that the system of commonwealth preferences was at an end".

Earlier the article states:

Mr. Fleming describes such a possibility as a "threat". He sees, if it should come about, an end to the present preferential entry of Canadian goods onto the British market, hitherto so valuable to Canada. He fears especially the possibility of damage to the rate of entry of Canadian agricultural products into Britain.

Then there is this significant paragraph:

"Certainly under such circumstances, the pressures for Canada to embark on closer trade associations with other countries, particularly the United States, would understandably be greatly increased".

Then later on:

From an expressed position of advocating a trade diversion away from the United States, the finance minister within a short space of time has now come to the position of considering the possibility of adopting a policy which would be quite the reverse.

Mr. Fleming (Eglinton): Rot.

Mr. Chevrier: The article continues:

Should it come about, there would be few if any patterns of policy development which could compare with it in the history of Canada.

Then the Minister of Trade and Commerce made no secret about his position when he was in Paris. Here I quote from a clipping from the Ottawa *Journal* dated December 15, 1960 and datelined Paris:

Unless the European common market substantially reduces its announced tariff schedules affecting imports from Canada, at the GATT negotiations in progress in Geneva Canada will retaliate by increasing its barriers against imports from the six European countries. That warning has been given by trade minister Hees to the European ministers meeting here.

There can be no doubt about that statement, and if it is not accurate I presume the minister will deny it. But that has not been done in this house. Then a new round of negotiations was initiated in Geneva by GATT members, and if the Minister of Finance is sincere in saying he is a strong supporter of trade on a multilateral basis the Canadian delegates at Geneva must surely have presented concrete and bold proposals for freer trade in the world. While these negotiations were going on, however, the Minister of Finance in his supplementary budget took another important step on the road to greater protection with his amendment to the provisions respecting the class or kind of goods made in Canada.

Mr. Fleming (Eglinton): May I rise to a point of order? It is all very well for the hon. gentleman to make reference to matters which have engaged the attention of the house in previous sessions or to make reference to things which happened outside the house and which are not subject to a decision in the house, but he is now referring to a matter which engaged the attention of hon. members over the past two months, the debate of which was concluded on the third reading of the bill last week. The hon. member has now begun to discuss this matter again and I submit he is out of order.

Mr. Chevrier: The Minister of Finance is again wasting his breath entirely. I have not started to discuss this subject. I made reference to it, and I have completed my reference. The minister cannot remain in his seat for a moment. When anything is said which concerns his department or which affects him he must rise immediately and protest. I hope he will rise and protest on those occasions when he should do so in accordance with the rules of the house but not otherwise.

I was going on to say, after that statement, that the Minister of Trade and Commerce is a great showman. He has shown that on more than one occasion, and so has the Prime Minister (Mr. Diefenbaker) for that matter. But the showmanship of the Prime Minister is in the field of vision whereas, I must admit, the showmanship of the Minister of Trade and Commerce is more real. However, since the calling together of the trade commissioners in Ottawa to meet the businessmen the Minister of Trade and Commerce has been touring the country preaching a "Buy Canadian" campaign. In the fall of 1957 the slogan was "Buy British". Today it is "Buy Canadian", and the great export drive which was begun with such enthusiasm and apparent dynamism not long ago and which received so much publicity last fall seems now to have been entirely forgotten by those who sit on the other side of the house.

What will the next step be? I presume it will come when the Minister of Finance hands down his budget. Once again the Minister of Finance will probably talk about freer trade on a multilateral basis at the beginning of his speech when he refers to the international economic situation and then announce further protective action at the end of his speech just before reaching his final exhortation. At least, this is what the Secretary of State (Mr. Dorion) led his audience to expect when he spoke recently in St. Hyacinthe and promised that the textile industry would soon be adequately protected against foreign competition. Did the Minister of Finance read the speech of his colleague the Secretary of State? Did he compare it with the speeches made by the Prime Minister about greater protection for the textile industry against dumping, protection for that industry in the same manner as agricultural products, for instance, are protected against dumping.

I think the Minister of Finance should read what was said by his colleague. There is no doubt that this speech, together with other speeches made by the Prime Minister, adds up to a long list of inconsistencies and contradictions. The examples I have given are not exhaustive. I have not the time to put them all on record in *Hansard*, but they are none the less impressive. The government has talked one way and acted another. The government has given the indication that it intended to move in one direction while, as a matter of fact, acting in the other way; although its actions, when it did move, have proved of little assistance to those industries which were in need of assistance and which required protection.

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Meanwhile our export trade has, fortunately, continued to expand. The government cannot take credit for this expansion, which is due not to its policies but to the dynamic economy and growth of western European industry. The increase of 9 per cent in the physical volume of our export trade since 1957 does not justify complacency on the part of the government, and there have been indications of such complacency from time to time. In the first place that expansion has not been fast enough to enable our economy to move ahead or even to retain its position. Moreover, this upward trend may well come to an end when the new trading arrangements in Europe are fully implemented at which time their restrictive features will begin to produce results.

The formation of O.E.C.D. was certainly a step in the right direction. One of the main functions of the new organization was—and I quote:

> To achieve the highest sustainable economic growth and employment and a rising standard of living in member countries while maintaining financial stability.

However, O.E.C.D. will not be able to accomplish very much in that direction if an excessive stress is placed on economic aid functions which annoy many Europeans. Moreover, the new organization can be at best a useful forum for discussion leading to a better co-ordination of economic policies and, in particular, to new trading arrangements within the north Atlantic community. But in order to achieve this most important objective, member countries must decide what trade policy is best for them and try to reconcile their differences in order to pursue a common purpose.

If this is to be done, Canada, in particular, must abandon its present confused and ineffective trade policy. The government must get out of its present dilemma and realize that it is impossible to have at the same time two conflicting trade policies, one of free trade for our export industries and one of high protection for our secondary manufacturing industries.

This basic conflict can be solved only when we become aware of the very important fact that high protection is not the only way and, in the framework of our international obligations, is certainly not the best way of helping our secondary manufacturing industries.

If we were to rely only on a restrictive trade policy to assist this sector of our economy high tariffs and quotas would be necessary. This would mean, of course, that we would have to withdraw from GATT and that our export industries would be exposed to massive retaliation. Such a restrictive policy

would be a fatal blow for our export industries and it would not solve the basic difficulties of our secondary manufacturing industry.

The source of those difficulties comes from relatively high production costs resulting from a small domestic market and lack of specialization. High protection, it seems to us on this side of the house, can do very little to remove this basic weakness. At best it could offer only a temporary advantage and give to our domestic industry a larger share of a smaller market resulting from a decline of the export industries.

The only realistic long term solution to the difficulties experienced by our secondary manufacturing industry lies in the direction of free trade. Our domestic industries would then have an easy access to large markets and would be able to specialize. It could produce fewer products in much greater quantities resulting in substantially lower costs of production.

The gradual establishment of free trade would, of course, create transitional problems for our domestic industry. It would have to change its production techniques, modify its equipment and intensify its sales efforts abroad. These transitional problems, however, can be solved if the government is prepared to initiate a special program of assistance to our domestic industries. This should not be difficult because, when one considers what happened in the formation of the common market countries, where the same problems were met, and with tremendous success, one can realize that it can be done. When it is considered that these six countries, two of which have lower tariffs than ours and two others of which have higher tariffs, were able by agreement among themselves to reduce their tariffs to a common denominator —there is no doubt that difficulties were encountered in the process—and if it could be accomplished with the results, which we know over there, and give such dynamism and increase to the trade, there is no doubt that similar action could be followed here.

Such a program, as I have outlined in a general way, because I have already put it on *Hansard* in a more detailed manner in another debate, should be highly flexible and include loans, grants and tax incentives. It should also be carefully planned in consultation with industry in order to be well adapted to the concrete re-adjustments involved. Its large-scale implementation would not create any special financial problems because it would be accompanied by the gradual removal of a tariff burden which is estimated at more than $1 billion annually. We suggest on this side of the house, that this might well be accomplished either through the reorganization of the Department of Trade and Commerce or by the creation of a new department of industry to implement the plan that has been referred to from time to time in the house.

The program of assistance which I just outlined would solve the basic problems of our secondary manufacturing industry much more effectively than high protection. It has the additional tremendous merit of being perfectly consistent with the best interests of our traditional export industries.

Each generation of Canadians has been tempted by the apparent simplicity of high protection but has found through bitter experience that a restrictive trade policy is not suited to Canadian conditions. Throughout our history, our export trade has been the main dynamic factor of our expansion and prosperity. When our export industries experienced difficulties, as in the second half of the nineteenth century, the whole Canadian economy failed to grow rapidly. When the level of our exports was increasing substantially, as it did most of the time during the present century, we enjoyed over-all rapid expansion.

Thus, sir, the major aim of our trade policy should be to promote exports through freer trade, while enabling our secondary manufacturing industry at the same time to adjust itself to this new environment through the implementation of a special program of assistance. We should, however, be realistic enough to realize that progress toward free trade on a world scale is becoming more and more difficult. The underdeveloped countries are not likely to support such a movement. The Sino-Soviet bloc are opposed to it, and the emergence of other regional trading arrangements have given a new direction to the free trade movement. On the other hand, a free trade arrangement between Canada and the United States alone would be undesirable for us not only for economic but also, and perhaps especially, for political reasons.

The gradual establishment of free trade between the emerging European common market, including the outer seven and the inner six, and North America, seems to be the only realistic objective that we should seek. The unification of the two European trading zones in a broad common market now appears inevitable. It is also highly desirable, and we would not oppose it, provided it is developed within the framework of a North Atlantic free trade area. Such an arrangement would not only make sense for Canada but it would also strengthen all the national economies of the western world and put them in a better position to help the underdeveloped countries, and to meet the

Soviet challenge. Moreover, the creation of this Atlantic trade community would consolidate the political unity of western democracies and give a new purpose to the alliance of the free world.

This great idea of an Atlantic trade community was put forward for the first time by the Leader of the Opposition (Mr. Pearson) in December, 1957 in Oslo when he received the Nobel peace prize. He then said:

> Now the European nations are launching themselves through the common market and its associated free trade area, on an adventure in the economic unification of peoples that a few years ago would have seemed completely visionary. Is it any more visionary to foresee a further extension of this co-operative economic pattern? Is it not time to begin to think in terms of an economic interdependence that would bridge the Atlantic?

Then again, on January 24, 1958, in a speech made in Vancouver, my leader repeated his suggestion in the following terms:

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

This idea has now received the acclaim and support of most of the western leaders. There is no doubt of the position which Prime Minister Macmillan of the United Kingdom took during his visit to this continent. Not only in Washington, but also in the speech which he delivered to the Massachusetts Institute of Technology and during the press conference which he gave here on April 12 the Prime Minister of Great Britain said that the free world must think in terms of creating the largest area of free trade possible and a North Atlantic free trade area should be created. Vice President Johnson, speaking in Paris at the beginning of April, developed the same theme. In an address in Toronto in December, 1960, Mr. Stevenson had this to say:

> A working Atlantic community would do more than enhance the basic strength of the west. It would demonstrate to other areas—to Latin America, to Africa, to the Middle East and to India and Pakistan—methods by which political autonomy can be combined with supra-national co-operation.

The West German minister of economic affairs, Mr. Erhard, and of defence, Mr. Strauss, have expressed on several occasions their support for a North Atlantic free trade area.

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Mr. Maurice Faure, former French minister of European institutions, said recently:

> In my view the answer to European and to NATO problems is the same: at both levels we must outgrow the old-fashioned concept of a mere alliance between sovereign states and work out new patterns of organic unity. European unification and Atlantic co-operation should progress simultaneously. The ultimate goal should be a European federation within an Atlantic confederation.

Mr. Spaak and Van Zealand in Belgium, and the political leaders of the Scandinavian countries, have made statements along the same lines. Therefore, it can be seen that the idea put forward by the Leader of the Opposition in December of 1957 is now widely supported in the North Atlantic countries. The Leader of the Opposition is now suggesting an Atlantic economic conference, at the highest governmental level, for the purpose of laying the foundation for an Atlantic economic community. I submit the government should accept the suggestion and take the lead in calling such a conference.

Instead, the Minister of Trade and Commerce has rejected any idea of Canadian participation in the gradual establishment of an Atlantic free trade area. This he did at a meeting of the Progressive Conservative party in March. Before him, the Minister of Finance is reported as having said in Washington in January, 1960, that an Atlantic trade community would not be in the best interests of Canada as a world trader.

Mr. Fleming (Eglinton): What document is the hon. gentleman reading from?

Mr. Chevrier: It is a press statement that I have not with me but I shall be glad to get it for the hon. member.

Mr. Hees: May I ask the hon. member if he will give me the source of the statement that he says I made?

Mr. Chevrier: Yes, I have it here; I will send it over. Meanwhile, the minister is threatening to raise Canadian tariffs if the United Kingdom aligns itself with the common market countries in some sort of a free trade area.

Mr. Fleming (Eglinton): What is the authority for that statement?

Mr. Chevrier: I have already put that statement on *Hansard*.

Mr. Fleming (Eglinton): That misstatement.

Mr. Chevrier: Such an attitude is not only unrealistic but dangerous in today's world because it is in sharp contrast with new trade patterns, and it may lead us only to isolation or continental dependence. Dr. Hugo De

Grood, the head of the North American division at the European common market headquarters in Brussels, had this to say last December:

> It seems to us that Canada overrates its own importance these days. We want to trade with you, but you must understand that if necessary we shall get along without you.

Then again, another high official in the European common market is reported to have added:

> Much as we like Canada and Canadians, don't ever think that a market of 17 million people can threaten us into changing our basic plans.

The choice that Canada has today is not between GATT and the Atlantic trade community but between this broad association and isolation. Our country experienced sustained and rapid expansion during the present century within the North Atlantic commercial triangle. We, on this side of the house, merely propose to revive and consolidate this historical association. Canada suffered from economic stagnation in the latter part of the nineteenth century when we were isolated from world markets and the main channels of trade. If the government rejects our proposals, our country may well suffer again from isolation and stagnation, as it did in the nineteenth century.

I therefore move, seconded by the hon. member for Ottawa West (Mr. McIlraith):

> That all the words after "that" be deleted and the following substituted therefor:
>
> "This house regrets the protectionist and inconsistent trade policies of the government and its failure to develop a long term foreign economic policy to enable Canada to participate fully in the challenging new opportunities in the field of international trade by implementing a vigorous program to promote the expansion of our secondary manufacturing industries and by encouraging the development of an Atlantic economic community."

Mr. Speaker: Before I place the amendment before the house I shall be glad to know whether any hon. member wishes to raise any point with respect to the proposed amendment?

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I welcome the amendment and I can say immediately that our group intends to support it. We note that according to the statistics our exports have been rising in recent years. However, we contend they have not been rising fast enough to meet our national needs. We have to remember that in order to obtain a satisfactory level of exports they must be at a level adequate enough to pay for the goods and services we import. In addition to paying for the goods and services we import, they must also be enough to meet our payments on our foreign debt and it is to be noted that the level of such payments has been rising with tremendous rapidity of late. We have to repay to those who invest in Canada not only the basic principal of the investment but also the interest and if equity is involved our economy is expected to return a profit on the investments that outsiders make in our country.

In addition to having to pay by means of exports for the goods and services we import and also our foreign debt, we must also regard our export needs in the light of employment needs in our own country. In the light of world needs, our group denies completely any necessity for unemployment in Canada. However, we realize at once that our exports have a lot to do with the level of employment and unemployment in Canada and we realize that we have to export an ever-growing proportion of our wealth if we are going to provide employment for all those in Canada who would like to work.

I note that according to the official statistics our over-all deficit in 1959 was $1,429 million. This is a matter of very serious concern. I agree at once that the objective of the amendment is a good one. However, we contend that in Canada we should be producing what we are able to produce economically, and the attainment of that objective will mean changes in our economic structure. We will have to make a selection of products. We will have to make up our minds what we are able to produce economically in Canada in relation to the rest of the world and we will have to concentrate on those products rather than attempting to protect the man with a greenhouse who is trying to produce bananas for Canadian consumers. I say at once that whole industries need not be sacrificed, that rather we should decide now that we must give up the production of certain products because they may be uneconomical and their continued production may be against the long term national interest.

At this time I should like to compliment the Canadian producers of industrial machinery. I believe they have realized that their continued prosperity depends on specialization and, having regard to the recession and all other factors, I believe they are doing relatively well because they have taken into account the fact that we can compete only by specializing and that we cannot compete very successfully on the basis of nationalism which is outdated in the economic world of today.

I should like to express my disappointment at the failure of Canadian industries generally to realize that they have to adjust in order to survive. If we want to have a proper approach we must realize that we are not an island by ourselves in the world today. We have to accept the world as it is and if our industries want to survive they will only

survive provided they are willing to adjust to economic realities and attune their operations accordingly.

At six o'clock the house took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Chevrier: If the hon. member who had the floor at six o'clock would allow me to do so, Mr. Speaker, I should now like to give the references which I made to statements made by the Minister of Trade and Commerce (Mr. Hees) and the Minister of Finance (Mr. Fleming). I did not have them with me when I spoke. The statement made by the Minister of Finance is reported in the Windsor *Star* of January 7, 1960. It is entitled: "Fleming declines U.S. Plan".

Mr. Diefenbaker: What is the paper?

Mr. Chevrier: The Windsor *Star*.

Mr. Diefenbaker: Of what date?

Mr. Chevrier: January 7, 1960. The reference I had in mind was the following:

—Mr. Fleming told reporters a new Atlantic trade community consisting of the European groups, the U.S. and Canada, would not be in the best interests of Canada as a world trader.

The other reference I made having to do with the statement of the Minister of Trade and Commerce before the Progressive Conservative association is from the Montreal *Gazette* dated March 18, 1961, and is entitled, "Red China, Free Trade, Jobless", and it is as follows:

Trade Minister Hees said Liberal party advocacy of an Atlantic free trade area meant nothing more than reciprocity between Canada and the United States. That would result in American industrial producers flooding the Canadian market with more cheaply-made goods, creating widespread unemployment in Canada by closing down Canadian industry.

As I said, this statement was made when the Conservative party's annual meeting took place.

Mr. Regier: Mr. Speaker, I was a little bit surprised that the hon. member for Laurier (Mr. Chevrier) appeared as the leading spokesman on behalf of the Liberal party in the debate dealing with the subject of trade. We had always been led to believe that the hon. member for Ottawa West (Mr. McIlraith) was the expert on behalf of the official opposition in this regard. I believe the fact that the hon. member for Laurier has now pre-empted the position that had been occupied by the hon. member for Ottawa West is revealed in the very wording of the amendment in its reference to expansion of our secondary manufacturing industries. Had the hon. member for Ottawa West been responsible for this amendment, I believe he would have omitted this reference of particular concern to the expansion of our secondary manufacturing industries. The hon. member for Laurier has always been well known as a spokesman for the textile industry which, as we all know, is under a severe handicap, as it has been for a considerable number of years. I can only explain the new spokesman for the Liberal party in terms of trade upon reading the very wording of the amendment that is now offered.

I regard this particular portion of the amendment as nothing more or less than a sop to the hon. member for Laurier. However, our group recognizes the fact that our needs in the field of international trade cannot be successfully resolved until we have resolved the problem of unemployment in Canada within our own national borders. I agree at once that we are unable to resolve the complications of this problem until we build up adequate markets that will relieve us of the curse of unemployment. We appreciate at once that the immediate way of resolving the problem of unemployment is to enhance our obvious home market by giving our people adequate purchasing power. However, in addition to that, much can be done to enhance our markets abroad. I should like to quote, merely for the record, a submission made today to the Prime Minister (Mr. Diefenbaker) and his cabinet by the national unemployment lobby committee. On this particular matter it reads as follows, at page 9:

More should be done to promote trade. We should seek to expand our trade with all countries. Trade representatives should go to countries where our trade up to now has done poorly. A permanent trade commission should be established to visit all countries in turn. There should be a Canadian export bank to help exporters, with loans guaranteed by the government. Long term loans and technical assistance should be extended to so-called underdeveloped countries on a still larger scale; the loans should be at a nominal rate of interest, or interest free. Capital goods, which Canadian industry is quite able to make if allowed and helped to do so, should be an important part of our aid program.

Many eminent people, here and abroad, have suggested that Canada and other countries should use 1 per cent of their gross national product for foreign aid. This would mean $360 million for Canada. We doubt that the present total is even one third of that.

May I only interject that our present total is not even a fifth of that amount. The submission continues:

Mutual aid is certainly the right way to describe this assistance, since it helps the countries giving it as well as those receiving it.

That is the end of the submission of this national unemployment lobby committee

which I understand met with the government today. We ought to realize that our particular problems would disappear if we had a policy of full employment. We would not have to worry too much about specific industries that are in particular need of tariff protection from time to time. I believe we have to resolve our thinking to the point where we would agree to a policy of integration of our production with the production of other nations.

I have read wth a great deal of interest the suggestion of Dr. Hugh Keenleyside. Dr. Keenleyside advocates our entering into an agreement with the United States of America for a selective integration of production. To put it very bluntly, if the United States insist on making automatic washers for the whole North American continent, we might agree to that if they would allow us to make automatic dryers for the whole North American continent.

If the United States want to manufacture large cars for the whole North American continent, they might be persuaded to agree to our manufacturing small cars to satisfy the whole North American market.

As far as I have observed, Dr. Keenleyside in no way advocates complete integration of our production with the production of the United States of America. Rather, he advocates a selective imagination. I feel that we have to go far beyond what Dr. Keenleyside advocates, namely, we ought to work toward integration of our production with the production of all the nations with whom an agreement would be obtainable.

I regret very much the attitude of the government towards the Geneva agreement on tariffs and trade, commonly known as GATT. I regret very much reading in our press that the Canadian government is attempting to threaten the negotiations that are under way at the present time with regard to the renewal of these agreements.

I understand Canada is in effect saying that if the inner six should dare to establish a common tariff barrier on imports into those countries, we might even refuse to continue to participate in the renewal of the Geneva agreements on tariff and trade. I referred to this at the time of the last budget speech when I said I felt it would do Canada little good—

Mr. Browne (St. John's West): Would the hon. member give the authority for that statement?

Mr. Regier: I hope the minister reads as many newspapers as I. I believe it is no secret that Canada is most adamant at the meetings of GATT which are currently taking place and is insisting that the inner six have no right to establish a common tariff barrier on imports. The Minister of Finance (Mr. Fleming) has even gone so far as to indicate that retaliation on the part of Canada would result if the inner six were to adopt a common tariff barrier on imports.

That is what I had in mind when, at the time of the last budget, I described the minister as the abominable snowman walking across Europe with a big club over his shoulder. I am afraid we are not going to get very far with this attitude. This is not co-operation; it is not in the interests of NATO and it is not in the interests of the Atlantic community. This attitude is not in the interests of the western world.

While the Minister of Finance attempts to make much of O.E.C.D., I am afraid that O.E.C.D. may end up as little more than wishful thinking. I should like to remind those responsible for our welfare in the international trading field that the road to hell is paved with good intentions. I believe this may well apply to the organization known as O.E.C.D.

We want to have our cake and eat it too. We refuse to associate ourselves—

Some hon. Members: Oh, oh.

An hon. Member: You want somebody else's cake.

Mr. Regier: Hon. members may laugh, but but we refuse to associate ourselves with any of the growing and successful trading blocs of the world. They are growing not only in number but also in success. We want to keep ourselves isolated; we want the best of a number of worlds in this field.

The rate of growth of the inner six exceeds the recent rate of growth of either the U.S.A. or the U.S.S.R. If I am able to gauge it accurately, the outer seven will very soon—and much too soon, as far as our interests are concerned—be allied with the inner six.

The Middle East has its trading bloc; over a long period of years the communists have had their trading bloc; and we now have Latin America to consider.

I should like to quote from a publication issued by our Department of External Affairs in regard to the Montevideo treaty. At page 858 of this publication it says:

> The Montevideo treaty thus contains a specific declaration in its preamble to the effect that its members will persevere in their efforts to bring about the complete economic integration of the whole of Latin America.
>
> The Latin American "Seven" have a population of some 144 million inhabitants which accounts for approximately 70 per cent of the total population of the 20 Latin American republics.

Later on, in reference to our nation, it says:

> Canadian exports to the countries forming the LAFTA totalled just under $70 million in 1959.

approximately half our exports to Latin America and 1.4 per cent of our total exports.

I submit that the problem is very serious indeed. We have a terrific deficit. According to our own dominion bureau of statistics' publication "Review of Foreign Trade" our exports total $5,140,000,000 and our imports total $5,508,000,000. For the year 1948, in terms of constant dollars, our exports were $4,192,000,000 and our imports $4,815,000,000.

I believe that the government of the day has been most inept and most negligent in the discharge of its responsibilities to the Canadian people and I should therefore like to move, seconded by the hon. member for Peterborough (Mr. Pitman):

That the amendment be amended by changing the period at the end thereof to a comma and by adding thereto the following words:
"to prevent a drastic loss of overseas markets for agricultural and other primary products."

The Deputy Chairman: Is there any comment on the validity of the subamendment? If there is no objection I will put the subamendment formally before the house.

The question is now on the subamendment.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, the subamendment which has just been moved and the motion moved by the hon. member for Laurier (Mr. Chevrier) are both very welcome to the government because I do not know of any area less favourable for members of the opposition to attack than that which has been chosen by the opposition today.

The main motion, which expresses regret at what it calls the protectionist and inconsistent policies of the government, is, in itself, completely inconsistent. It purports to speak on the one hand of a free or freer trade area within the Atlantic economic community and in the same breath it expresses regret because, it says, the government has failed to promote the expansion of secondary manufacturing industries in Canada. These two courses are contradictory and represent opposite ends of the economic pole.

At no time has any government put forth a greater effort to extend trade than this government has done and we shall continue to put forward that effort. We are very anxious to expand trade throughout, not only the Atlantic community, but the whole world and we shall continue to press our efforts in the future to the same degree as we have in past years.

However, I wish to say that supporters of the government will vote against this amendment, since it constitutes a straight vote of no confidence in the government, and if it were carried the government would be out of office. We know that the people are too well pleased with the service which this government is giving, for a chance to be taken of disappointing them at this time.

Canadian trade policy has been developed over many years by successive governments, as we all know, and today it represents the best judgment of the governments of the past and of the present government in the light of economic and political conditions which have existed over the past four years. The government is fully aware that new economic and trade developments are taking place throughout the world, and has been examining its course of action closely for months past. The fact that no precipitate action has been taken to date is a measure of the difficulty of the problem, and the importance of the policy decisions as they are ultimately resolved. I can assure the house, however, that I will recommend to my cabinet colleagues free or freer trade, or the joining by Canada of any economic trade grouping, whenever I am convinced that such a step is not only in the best interest of export groups, but of the Canadian economy as a whole.

Hon. members will know that for months past detailed negotiations have been going on in Geneva to ensure the most favourable terms of access for Canada's exports to the common market. Within the next few days the second phase of the tariff conference in Geneva will begin. The major trading nations of the GATT will be entering into negotiations for the mutual reduction of tariffs, the first such negotiations since 1956. Apart from Canada the leading trading countries participating are the United States, the common market, and the United Kingdom.

These negotiations represent part of the machinery by which we hope to maximize international trade.

Senior officials of my department have been in attendance at Geneva constantly since last August when these negotiations commenced, and will be continuing in these negotiations until they are completed later this year.

I am keeping in close touch with the progress of the negotiations, and I might tell the house the assistant deputy minister of my department is returning to Canada on Wednesday this week to report fully to myself and my officials on the current status of these important discussions.

This government has also seized the opportunity of establishing the closest working relationship with the European countries of both the Six and the Seven by joining the organization for economic cooperation and development, O.E.C.D. Canada was the first country to ratify the O.E.C.D. convention signed last December. The emergence of the

two trading blocs in Europe was one of the major reasons for the creation of this forum for continuous consultation in the economic and trade policy field among the countries in Europe and North America.

Let me say once again, Mr. Speaker, that the trade policy of this government is neither protectionist nor inconsistent. Our policy is simply this, to maximize trade in every commodity in every possible market and by this means to provide employment for as many Canadians as possible.

Let us look at the record but before doing so let me make sure that we are talking about the same things. References are constantly made, and have been made in this house today, about the Canadian deficit balance. The hon. member for Burnaby-Coquitlam (Mr. Regier) referred to a deficit in 1959 of $1,429 million inferring presumably that this was a trade imbalance. In actual fact, the trade imbalance for 1959 was $368 million, according to the dominion bureau of statistics' publication "Review of Foreign Trade" and in 1960 the trade imbalance had been reduced to $97 million representing the lowest unfavourable trade balance figure in the last six years.

Mr. Regier: I gave the d.b.s. figures.

Mr. Hees: To return to the record, in 1960 Canada's exports reached the record of $5,395 million, an all-time high, and an increase of 5 per cent over the previous year. In January, 1961 this figure was increased by 8.4 per cent over the previous record January of last year. The facts do not seem to bear out the concerns of the opposition.

The amendment proposed by the opposition would appear to leave the impression that Canada's trade with the countries of Europe is lagging. In fact Canada's trade with this area of the world is going ahead by leaps and bounds. Last year exports to the United Kingdom were up by 16 per cent and to the countries of the common market, taken as a whole, by nearly 40 per cent.

Mr. Regier: Mr. Speaker, I wonder if the minister would permit a question.

Mr. Hees: All right.

Mr. Regier: I would like to ask him whether he doubts the dominion bureau of statistics' figures that I put on the record. I do not have them with me as I had to send them to *Hansard*.

Mr. Hees: I do not doubt the dominion bureau of statistics' figures but I think the hon. member is misinterpreting them.

Mr. McIlraith: The minister is using the wrong terminology.

[Mr. Hees.]

Mr. Hees: I would remind the house that this government and my department are adopting every possible aggressive means to promote Canada's trade both at home and abroad. In December last we called home the trade commissioners from all posts abroad for a three-week conference with Canadian businessmen designed to stimulate the interest and knowledge of Canadian businessmen and to acquaint anew our trade commissioners with current business conditions and possibilities for Canadian export trade. The house will know that this conference was a great success and has excited the interest of Canadian businessmen as never before. In the two months since the trade commisioners returned to their posts over 350 new selling agencies have been established for Canadian manufacturers abroad, and more than 2,000 new agencies are under active negotiation at this very moment. We are very hopeful that these new agencies will stimulate a great deal of additional trade during the months ahead and, as I have said, in the only month for which figures are available since the conference was held, our actual trade was up by a very satisfactory 8.4 per cent.

The recent export finance facility which was introduced by this government, in cooperation with the Canadian chartered banks has already provided a stimulus to export trade. Since the announcement of this new facility last December Canadian capital goods' manufacturers have exhibited keen interest, and have been placed in the position of being able to quote on over $200 million worth of extra business that would not have been possible previously, except for the provision of this joint export financing arrangement.

Naturally Canadian manufacturers must be competitive in tough world markets, but the financing facility now available is the equal of that of any other country both in terms and in cost, and is superior to most.

Our trade commissioners, and my department, will continue to do everything in our power to help our producers make export sales and expand our export markets so that as many Canadians as possible may have jobs replacing the products that are sold. However, salesmen can only accomplish so much. There is a big job to be done by producers in this country as well. I have pointed that out on numerous occasions, and will do so again now, because I think it is important to know where the responsibility lies in providing jobs for our people.

As I have said, our salesmen are working in every possible way they can to make sales, both at home and abroad. Our trade commissioners have indicated to them that they

will do everything in their power to make the contacts, give them the information they need, and act as interpreters, if necessary. In fact, our trade commissioners will do everything except actually sign an order, and that, of course, must be done by the firm itself.

We in this country, as in the United States, are up against very serious competition from countries which, until recently, were our markets. I refer to the countries of western Europe which, in many cases, were devastated by war, but have made a remarkable comeback since that time. They have done so by co-operation between management and labour, in order to get costs down, and improve design and quality. By these actions which they have taken, they have put competitive products on all the markets of the world, and are competing very seriously in the Canadian market, and as a result have had a serious effect on employment in this country.

As a first step in trying to bring about the same kind of co-operative effort here in Canada, that they have achieved in western Europe, to provide jobs for their people—they have achieved full employment over there—we have called together recently two very important conferences here in Ottawa. The first was a labour-management conference, consisting of the representatives of the top 15 labour unions in Canada, and the heads of the 15 top management organizations in Canada, such as the Canadian chamber of commerce, the Canadian Manufacturers' Association, the Canadian automobile chamber of commerce, the Canadian export association, and so on. This meeting was a very successful one, and a steering committee, with a joint chairmanship composed of the heads of the Canadian congress of labour and the Canadian Manufacturers' Association, was brought into being, and is planning future meetings. We are very hopeful that this will have a real effect in bringing about in Canadian industry the same kind of co-operative spirit that has proved so useful in Europe.

Five days after that conference, and one day before its counterpart in the United States had its first meeting, we had the first meeting of the Canadian productivity council, made up of representatives as members will know, of labour, management, primary industries, the public, the government and agriculture. As in the case of the labour-management conference, this was also a very successful meeting indeed.

The purpose of these groups is, in various fields, to bring about the kind of co-operative effort which, in Europe, has paid off in such large measure, and to bring about the production in Canada of products that will sell in Europe, and here, as well as around the world, so that Canadians can have jobs replacing the products that move off the retailer's shelf. If a product does not sell, then people cannot have jobs making replacements for it. The problem is as simple as that.

We have the big job of getting labour, management and the government to combine and work together in the way they have in Europe, in order to produce products that will sell, and, as a result, provide jobs for our people. If we do the kind of things they have done in Europe, and we are trying to persuade these groups that it is necessary to do so, we can have the same kind of full employment in Canada, just as soon as we decide to work for it in the way they worked for it over there, and we will achieve it in the way they have achieved it.

Mr. Speaker, it was interesting this afternoon to hear the member for Laurier make reference to the new attitude of the Liberal party toward the question of trade. I am interested to learn that they are now completely in favour of free trade. I was interested, as I am sure all hon. members of this house were, to read in the Toronto *Daily Star* of April 15 an article appearing under the heading "Pearson Asks Free Trade Era". That article began as follows:

> "Canada should jump with both feet" into the project of creating an Atlantic free trade area embracing the United States, Britain, Canada and European nations, Hon. Lester B. Pearson, national Liberal leader, told a press conference yesterday—

I think it will be interesting for the house to take a look at what free trade with the United States will mean for the average Canadian, because that is exactly what the Liberal party, as specified by the Liberal leader, is calling for, and would be brought into effect if this country ever had the misfortune of having a Liberal government again in the future. I will outline what the result would be of free trade with the United States, for which that party on the other side of the house is calling.

The industries in the United States have, of course, a market ten times the size of the Canadian market. Their factories are, therefore, able to produce on a much larger scale than ours, with consequent savings and lower costs. If there were free trade between our two countries, as the Leader of the Opposition said his party would bring about if it were in power sometime in the future, the United States factories would simply increase their runs by 10 per cent and pour their goods into Canada at prices against which many Canadian producers could not compete. The result would undoubtedly be the closing down of a great many Canadian factories;

mass unemployment; and the resultant hardship for hundreds of thousands of our people, who are today holding down good jobs, and who would be put out of work. I say this is a very strange course of action to be favoured by a party which professes great concern for those who are unemployed.

This afternoon the hon. member for Laurier said that the Liberals are opposed to my urging Canadians to "Buy Canadian". Just what does "Buy Canadian" mean? If Canadian people buy Canadian goods they will provide jobs for Canadian people producing more of those products when they move off the retailer's shelves.

Mr. Chevrier: On a question of privilege, at no time did I indicate to the house or to anyone else that I was opposed to the "Buy Canadian" campaign to which the minister refers. What I did say was that the government was inconsistent in 1957 in advocating a policy of "Buy British" and in 1960 or 1961 advocating a policy of "Buy Canadian".

Mr. Hees: There is no inconsistency whatsoever. If at a time of unemployment such as this any Canadian advocates to his fellow Canadians that they should buy the products manufactured by their fellow Canadians, then I would say he is advocating a good sensible policy aimed at the good of the Canadian people, aimed at putting Canadians to work producing products that would otherwise come in through loopholes in the backdoor that the Liberal party advocated for nine consecutive days in the debate on the class or kind legislation.

We are in favour of Canadians having jobs here in Canada. We are not in favour of, instead of Canadians having jobs in Canada, people having those jobs in Birmingham, Turin, Toledo and Detroit. We want as many Canadians a possible to have jobs here producing Canadian products for Canadians and overseas consumption so that we can have full employment. That is what our policy is and we are proud of it.

Mr. Chevrier: May I ask the minister a question? How can he be so proud of that policy when there are over 700,000 people unemployed?

Mr. Hees: I have tried to outline to the hon. member and to other hon. members this evening one of the main reasons why a large number of Canadians are unemployed. It is the same reason that a large number of people are unemployed in the United States today. They are unemployed because a great many countries, particularly western European countries, for about 10 years after the war had to come to us to buy products which they needed because they had literally no way to produce them. Their factories had been devastated. They had no production then. They needed the goods; they came to us and bought them at almost any price we wanted to ask. This was the situation. By hard work, by co-operation, by management, labour and government sitting down and working together they were able to produce goods which are very competitive, good in design and quality and very competitive in price, and they are taking sales away from Canadian and United States products all around the world. It is up to us and United States to realize it. We talked to their ministers while we were in Washington. They are up against exactly the same problem. That is why they set up a productivity council. They are just as worried as we are, and they are working just as hard as we are to try to overcome this great handicap.

We have to get down to the position where we can produce products which are just as desirable to the people throughout the world, as the people of western Europe have been able to do in 15 years. As soon as we do that, we shall have full employment and we shall not get full employment by negative speeches such as the ones which were delivered today and have been delivered all during this session by members of the opposition, tearing down, trying to create lack of confidence, trying to create a picture of doom and gloom, trying to give an idea to the people of Canada that it is a bad time to invest, that people should not build factories, they should not enlarge their inventories because things do not look so good, unemployment is bad, things are gloomy in the country. This is the contribution that members of the opposition are making, and it is not the kind of contribution that any Canadian who is proud to call himself a Canadian should be making at this time. We should be all getting together and putting our shoulders to the wheel, as the Europeans do and did. That is how they put themselves right at the top of the heap after being down in the ashes 15 years ago.

As I say, it upsets the Liberal party to hear us advocate "Buy Canadian", so that Canadians can have jobs producing more of those products, because they do not want jobs for Canadians. Why do they not want jobs for Canadians? Because the more Canadians are employed the happier they will be at the next election. If Canadians are unhappy they might vote for the Liberal party, as members of the opposition hope they may do, and therefore they are trying to create a picture of gloom, doom, chaos and despair in the minds of Canadian people so that they can

say, "Vote us in and we will set everything right". The Canadian people are not going to be fooled any more at this election than they were at the last election.

Mr. Chevrier: They certainly were fooled at the last election.

Mr. Hees: No, they were not fooled at the last election; they were very well pleased with what they got at the last election and they are going to be satisfied with what they get at the next one because they are going to get another Conservative government and they are going to get a lot of good legislation.

From what I have said, Mr. Speaker, I think it is pretty obvious what hon. members of the Liberal opposition have been up to all during this session. They have been against anything that would create jobs; they are against anything that will give employment to Canadians. What they want are things that will give employment to people in other countries. They are all for people in other countries. They want them to pour cheap goods into Canada to put Canadians out of work and to have mass unemployment, so that they can go to the people at the next election and say, "Elect us and we will save you from your doom". That is the kind of deal they are trying to put over to the Canadian people. The Canadian people are not going to go for it. They are once again going to recognize that their hope lies in electing a Conservative government under the greatest Prime Minister that ever held office in this country.

Mr. Chevrier: Mr. Speaker, I think you have ruled already that when a member finds that a misstatement has been made by a previous speaker he should take the first opportunity immediately after that speech to correct that misstatement, and that is what I want to do. The Minister of Trade and Commerce has stated and based his whole speech on a statement made by the Leader of the Opposition, in which he said that our leader advocated a policy of free trade between Canada and the United States. At no time has the Leader of the Opposition, nor have I in my remarks today, stated anything to that effect. What I did state, by putting on the record the position of the Leader of the Opposition and of the Liberal party, was the advocacy of an Atlantic alliance; that is, a free trade area of the western European countries, Canada and the United States, but not Canada and the United States alone. I made it quite clear this afternoon that economic union with the United States would be undesirable for us politically and otherwise.

Mr. Hees: Then, Mr. Speaker, may I ask the hon. member a question. If we are in a free trade area, including the United States, does it not then mean that we are having free trade with the United States and with a lot of other countries as well? Is there anything which he could do that would stop cheap goods flowing over in tremendous quantities and putting our people out of work and causing our factories to close down?

Mr. Chevrier: I do not know what question has been put to me but there seems to be at least three in the statement made by the minister. What I say in answer to the minister's question is that an Atlantic alliance can be formed among the western European countries, Canada and the United States in the same manner as a common market was formed among the six countries of western Europe and was a success.

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, I listened with a great deal of attention to the speech just delivered by the Minister of Trade and Commerce (Mr. Hees). All we heard was a lot of words which might properly have been spoken not only during an election but some time in the 1930's. This is what we object to.

It would have been far more interesting had the Minister of Trade and Commerce chosen to speak on the government's trade policy and given the house some indication that the government is aware that there have been tremendous changes in the world which make Tory protectionist trade policies completely obsolete. I find it rather strange, Mr. Speaker, that the Minister of Trade and Commerce, who is a relatively young man, has such outmoded and antiquated ideas and theories on trade and commerce.

Hon. members will agree, I believe, that one of the most acute and urgent problems facing the government is that of trying to fit Canada and her high cost economy into a rapidly changing and increasingly competitive world market. The international picture in the field of trade is becoming more and more complex and it is difficult indeed at this stage to forecast what that picture will be 10 or 20 years from now. Yet, Mr. Speaker, if Canada is to find and adopt an advantageous and useful role in this increasingly important field of trade, it will have to adjust its sights not on short-run expediencies which can be but temporary but on an over-all long-run commercial policy which will best serve Canada's interests and be in keeping with the present trends of international trade.

There has been a profound evolution in our concept of international trade within the past

50 years. The old pattern of international trade and the protectionist trade policies of the empire era have long since been discarded and new trade relationships and policies adopted to meet new world situations. Within the past 15 years some 38 nations of the world have attained their political independence and along with their sovereignty went the responsibility of bolstering their economies which they are rightly seeking to do by the processing in their own countries of their raw materials and marketing of the products.

The rest of the world could not be and was not indifferent to the impact that this evolution has had on the international trade picture and the necessity and advantage for all to aid these new nations to stabilize their respective economies. The commonwealth trade preferences, the multilateral trade agreements such as GATT, the international monetary fund, the international bank for reconstruction and development, the Colombo plan, the United Nations technical assistance fund, all were organized to meet the new problem, and we can best judge the success of these endeavours by imagining what would have happened, both in terms of world economics and world politics, had we failed to keep up to new world demands.

Although we have cause to take some satisfaction from what has been done, it would be wrong and dangerous to imagine that the problem of trade has been solved. One has only to recall that not so very long ago we were greatly concerned with the economic plight of, and took steps to bolster, the economy of western Europe. Since then, a relatively few years, the recovery of western Europe and that of Japan have been so outstanding that not only have they increased competition in the international market but they have in fact disturbed, if not disrupted, some of our own home markets.

Therefore, Mr. Speaker, the problem of world trade has not been solved but on the contrary we stand on the threshold of a new era in the field of international relationships and trade, and Canada with her high cost economy, her alarming unfavourable trade balances and her urgent need to export cannot afford to lag behind with the government's outmoded, ineffective and unimaginative thinking on international trade.

There is a marked reluctance on the part of the government, if not in accepting the revolutionary changes in the international trade picture, certainly in attuning its thinking and its policies to trends which in recent years have become clear-cut. Since 1935 there has been throughout the world a gradual lowering of trade barriers, the abandonment of bilateral trade arrangements and a continuous movement toward multilateral and freer trade. It is absolutely useless for the government to try to fight this world trend toward freer trade by attempting to camouflage its trade restrictive policies behind a barrage of administrative red tape as it did in the amendments to the class and kind provisions of the Canadian tariff recently. That is the type of thinking that will not only isolate Canada from the current international trade movement but will make favourable trade negotiations with other countries impossible and ultimately jeopardize Canada's badly needed export trade.

Another example of the application of traditional Tory protectionist policy and the government's refusal to acknowledge and accept the new concept of world trade was the backing away by the government in 1958 from an offer to establish a free trade area between Canada and the United Kingdom. Nor has the government since 1958 to this day decided to scrap its traditional trade policies and thinking, which are not only obsolete but are harmful to our economy at this very crucial time. Not so long ago the Minister of Finance suggested to the United Kingdom government that it should not join the common market; otherwise Canada would be forced to take appropriate steps in retaliation. No doubt the United Kingdom government would have been impressed and alarmed at this Victorian threat some years ago but under the present world situation the minister's suggestion received the consideration it deserved, and it appears inevitable now that the United Kingdom will join the common market.

The best gauge by which to measure the depth and the scope as well as the consequences of the political and economic changes in the world and the proof that Canada will have to adopt more realistic, more imaginative and more practical trade policies are the fact that Great Britain, the mother of parliaments, the emblem of sovereignty and independence, may judge it necessary to sacrifice a part of that independence in order to maintain its economic stability in the face of changed world conditions. We cannot imagine, Mr. Speaker, how much thought, how much reflection, how much consideration must have been given by the United Kingdom to that extremely weighty problem, but we can imagine fairly well how irritatingly naive must have sounded the Minister of Finance's advice and threat at such a crucial moment in the history of Great Britain.

The United Kingdom must, just as Canada must, seek to protect and even defend its economic security as well as the welfare of its people by taking whatever measures are deemed appropriate to cope with new and

challenging economic and political problems on a world scale. The western world in the past 15 years, in order to establish lasting world peace on the basis of understanding and co-operation between the nations of the world, has spared no efforts, no amount of ingenuity and no amount of money to avert a catastrophic third world war. With the United Nations, NATO and SEATO we have succeeded so far in avoiding a third world war and have at least retarded the communist military aggression in Europe and Asia. But Mr. Speaker, who would dare claim that we have enjoyed during these past years a state of even comparative peace? Who would dare assert that the tensions and strifes of the cold war are limited only to occasional military skirmishes, political jockeying for position, the nuclear arms race, the missile and space travel races? What about the world economics race which is more fundamental, a race in which we are handicapped because of the diametrically opposed principles on which western and communist economies are based?

We have sought to unite the western nations in military alliances. We have built up military defences around the world and we have been so busy in keeping the U.S.S.R. from gaining any military advantage over us that we apparently have lost sight of the fact that the real ace up the communist sleeve is their basic economic advantage over us.

The western countries have done little or nothing to bridge this gap and to prepare defences in the event of an economic war which Mr. Khrushchev himself warned us would inevitably be launched. Very little success has been achieved in uniting the western countries in an economic alliance which might be able to offset whatever economic advantage the U.S.S.R. might have over us. Mr. Speaker, it is because an economic war could achieve what the communists have set up as their dedicated objective whereas an all-out nuclear war obviously could not do so, that I am convinced that the western nations most vulnerable spot in their fight against communist domination lies in the field of world economics; and strangely enough, that is the field in which there is the least unity, the least co-operation and the least planning among the nations of the western world.

It is no doubt because of a lack of appreciation of the full impact of present economic and political changes, because of a too narrow and too short view of the international trade problem and because of a continued and incomprehensible underestimation of the Soviet threat and because of the blind adherence to obsolete traditional trade policies and political expediency that governments like this government fail to see in the common market and the free trade area the embryo of greater economic unity, co-operation and strength for the western world. I cannot help but feel that in the minds of many people and of many nations the common market and even the free trade area are considered as discriminatory and restrictive trading blocs and are looked upon as a potential danger to their own export markets.

In the light of present world problems I believe it is wrong for Canada and other nations to consider the common market only in terms of the short-run effects on some of their European exports. If indeed the world situation warrants, as indeed it does, the United Kingdom along with other European nations taking unprecedented and revolutionary steps to meet new challenges effectively, surely Canada cannot expect to meet those same challenges as well as the higher cost economy problem which she has without making some readjustment at least in her export trade.

The common market and the free trade area must not be looked upon in the very narrow, negative and indeed provincial light in which the Minister of Finance (Mr. Fleming) views them. These organizations are to me unprecedented and necessary experimentation in the field of world economics not only toward freer trade but toward an essential economic unity and co-operation which we must achieve not only in Europe but among the nations of the western world if we are to meet successfully the challenge of a changing world economy as well as to withstand the pressures of an economic war with the U.S.S.R. and her satellites.

Surely, Mr. Speaker, Canada cannot and must not continue to look upon these organizations in an unfavourable light and to remain isolated and aloof from the tremendous effort and movement that is being made to meet the world problems and challenges of this generation. On the contrary, in the light of Canada's trade deficits and her increased difficulty in competing in her own home markets as well as in foreign markets, because of the disruption of traditional trade relationships, because of the possibility of increased economic competition from the Soviet union and her satellites and because of the paramount necessity of aiding the underdeveloped nations of the world, Canada cannot afford to be without a definite, well-thought-out, long range foreign economic policy. The stakes are too high and the situation too tense for Canada to continue to indulge, as she is now doing, in off the cuff, hit-or-miss trade policies, in apologetic but none the less restrictive trade measures with all her hopes

of solving her problems pinned on the loud-talking high pressure salesmanship of the Minister of Trade and Commerce.

Surely, Mr. Speaker, the importance and consequences to Canada of world economics warrants the adoption of a definite Canadian foreign economic policy which should be based on a thorough study and understanding of present world problems and should contain both long range and short range measures to cope with these problems. Surely, under present conditions a Canadian foreign economic policy should be given at least the same consideration and importance as is given to foreign affairs policy and indeed more co-ordination and planning than are now being given to national defence policy. Certainly the long range measures of a sound Canadian foreign economic policy should include not only the acceptance of the European common market and the free trade area as the basis of a trade-promoting endeavour and not a trade-inhibiting endeavour but this long range policy should also include a sincere effort and leadership on the part of Canada to extend the membership and principles involved in these two organizations to a wider North Atlantic economic alliance as a first step to reaching economic unity and co-operation in the whole of the western world.

No one, of course, doubts the necessity and the advantage of aiding the underdeveloped countries at a crucially important point of their economic history. But how will the western world be able to give the necessary assistance and protection to these new economic entities if the western world is plagued with economic problems of its own and is further weakened by a lack of unity and co-operation in the strategically important field of economics?

It would appear to me, Mr. Speaker, that Canada's foreign economic policy should be to support and encourage the principles involved in these European economic associations and seek to extend the application of these principles to Canada and the other North Atlantic countries, in order to strengthen our own economies in the North Atlantic area so as to be in a far better position to be able to help the newly independent countries stabilize their own economies.

It would be most unfortunate if Canada and other countries, particularly the underdeveloped countries, should look on the common market or the free trade area as discriminatory and inward looking when in fact both are laying the basis for freer trade on a world scale and at a time when the economic principles being experimented with in these organizations might be the only basis on which we can hope to achieve stability in world economics without having to sacrifice our economic and political ideologies.

One would have thought that the Minister of Finance would have been ready and eager to attend the recent meeting of the O.E.C.D. instead of going there backwards and reluctantly. One would have thought that he would have taken the lead in putting teeth into the O.E.C.D. so that it might have some chance of success in co-ordinating world economies, in achieving economic growth and employment in member countries and in contributing to the expansion of world trade on a multilateral non-discriminatory basis which, as we all know, are the aims of the O.E.C.D. These aims are excellent and timely but how can they be successfully achieved if the organization has no authority to carry out its objectives?

Surely we have learned the lesson at the United Nations, that the best aims and objectives, the best motives and intentions are useless without the authority for carrying them out. Admittedly, under the circumstances, it would have been difficult, if at all possible, for the United Nations to have been given the authority it needed to carry out its objectives.

However, this is not the situation among the member nations of O.E.C.D., most of whom belong either to the common market or the free trade area, and all of whom are desperately concerned and eager to contribute toward a more stable world economy and are at the same time dedicated to the preservation of our western ideologies.

Canada could and should have taken some initiative in trying to give O.E.C.D. the authority it must have if it is to co-ordinate the economies of its members and help the underdeveloped countries develop their economies.

Most of the economies of the underdeveloped countries, as hon. members know, are based on two or three basic products, on the stability of which depend the whole of their respective economies.

Canada and the western nations have contributed large sums of money to help these underdeveloped countries help themselves. Most of these countries have used this aid very judicially. However, the fact remains that any artificial fluctuations in the prices of these relatively few commodities means that the whole economic structure of these nations could be destroyed, and whatever aid may have been given them would be wasted.

We have examples in the past where the U.S.S.R. has tampered with the price of commodities, as she did with tin, aluminium and asbestos. We can expect that the U.S.S.R.

will continue to employ very questionable trade practices with the uncommitted countries for political purposes.

Canada could and should have tried to devise some method by which O.E.C.D. might have at least made these unacceptable trading methods less dangerous by making them public, if not protecting the underdeveloped nations or any other nation from these artificial price fluctuations or very questionable trading practices.

O.E.C.D. is not now in a position to cope with this problem among the others they face. My point is that Canada could and should give leadership in making O.E.C.D. a strong economic organization, western style, and, while adhering to the principle of democracy, establish a much needed unity, co-ordination and stability of the economy of the western world.

This is the type of role Canada could play in achieving world economic stability if this government had a real economic policy in relation to the rest of the world.

Mr. H. M. Horner (Jasper-Edson): Mr. Speaker, we have again seen quite a lot of action in this house today. I suggest first of all, sir, that the subsequent motion which the opposition moved in supply did not do them any more good than their performance heretofore.

They have chosen to come forward again with a grievance with regard to trade at a time when Canada's position in world trade never had a more active champion than the present Minister of Trade and Commerce (Mr. Hees). They have chosen to come forward with this grievance at a time when our trade is at a level which we would like to see maintained at all times in Canada and which, unfortunately, throughout a great many years of Liberal rule was lost almost completely.

One of the first things about which the hon. member for Laurier (Mr. Chevrier) again rose and spouted was the British free trade offer. Unfortunately, for the last few minutes of his speech I was called out of the house and did not hear whether the Liberals accepted the British free trade offer. Do they believe in it? Would they have accepted it had they been in office? Does his industrial riding know that the British free trade offer was a manufacturing free trade offer only and had nothing to do with agricultural products?

Does the hon. member for Laurier have any idea about agricultural produce and how it is supported in England, in the outer seven or the inner six? I do not think he has; I do not think anybody in the Liberal party has any idea about trade or trading. They sold Canada's birthright. They sold it year after year. They gave it away to the British many years ago in the British wheat agreement. That was the time we in western Canada started to doubt these people. That was the time we started to believe they would tell us anything to become re-elected. Fortunately for them there was a war; there was Korea, and they maintained power.

However, this question of trade is only one of the means they have used to try to divide this country. They have got up on the rooftops and in this house and spouted their free trade doctrine. I defy any one of them to tell me what it is, because they do not know. It is a myth and a figment of their imagination. There is no such thing as free trade.

Ask our farmers about free trade. Ask them where they can buy, for instance, a diesel tractor manufactured in England, or even in the United States, at a lower price than we are paying in Canada, and which is selling in those countries at a lower price.

We have no duty against tractors, and yet we even take into consideration the question of freight rates. Can we in western Canada, or anywhere else in this country, buy a tractor from these countries at the retail price plus freight? This is free trade. We cannot do it. Of course we cannot, because the manufacture of these tractors is controlled by international companies. Then where does free trade come in?

What about the British free trade offer, this great figment of the Liberal imagination? Do the textile workers in my hon. friend's constituency think it would help them? Do the manufacturing and industrial workers in any of the industrial cities right across Canada think it will help them, with our smaller market? It would not help them at all.

Mr. Chevrier: What are you doing for the textile workers?

Mr. Horner (Jasper-Edson): We have done a great deal under the present Minister of Trade and Commerce, and if the hon. member will just bear with me a moment—

Mr. Chevrier: You put 35,000 of them out of jobs.

Mr. Horner (Jasper-Edson): —I will educate him a little with regard to subsidies. We in western Canada, Ontario and Quebec have a problem with regard to hogs. We have thought about this problem a great deal, even though my hon. friend may not have done so.

We want our farmers to be able to sell their produce at a reasonable price. A year or so ago the Minister of Agriculture (Mr. Hamilton and the former minister, now the Minister of National Defence (Mr. Harkness),

persuaded the British to admit 25,000 tons of pork into England. I suggest to my hon. friend that he look at some of the English papers published at that time to see the reaction in the British House of Commons and in Britain itself, the very mother of the commonwealth, with regard to the importation of a little bit of pork from Canada.

What did these people say? They were up in arms about it. Why? Because they, too, wanted to produce a little bit of pork. What is the attitude of the British government toward their farmers? This is why their free trade offer was a manufacturing free trade offer, and this is something hon. members should remember.

The subsidies in Britain vary from year to year. Every agricultural product which is produced in Britain is subsidized, as it is in every other country in the outer seven. One of the greatest problems the countries in the inner six have had to face is the whole question of subsidy on agricultural produce.

Just for the record, in England the subsidy now paid on a bushel of wheat is seven shillings. I am sure my hon. friends can mentally convert that into dollars very quickly. The subsidy on oats and barley is five shillings to 15 shillings. The subsidy for plowing land and putting it into cultivation is seven per acre. One third of the cost of drainage and one third of the cost of fertilizer is subsidized. The subsidy for clearing old woodland and putting it into cultivation is 15 per acre. The subsidy is eight per head for calves that reach the age of six to nine months. Other subsidies are paid on eggs, other livestock and pork.

My hon. friend suggests we should have a free trade area with Great Britain. I suggest to him that he could not do anything which would more quickly throw a great mass of workers in Canada out of jobs.

I want to take up one other thing which is particularly important to the Liberal party. They are the great traders, so-called. As I have said before, they traded us—they traded us down the river. For years and years and years they came out to western Canada and said on platforms there what a great thing free trade was for the farmers of western Canada. Then they came down here and spoke in favour of protection. The hon. member for Essex East (Mr. Martin) has done the same thing even in the last few years. Out in the west he is a great free trader, saying: we have got to get rid of these tariffs. He did not say we must get rid of the subsidies, though it amounts to the same thing. But down here he said: we must increase the tariff on imported automobiles. This is the great Liberal line. I understand the hon. member for Niagara Falls (Miss LaMarsh) criticized us severely because we did not increase tariffs enough to protect some of the industries in that area.

All we ask of industry in Canada is what the Minister of Trade and Commerce has been asking, namely that management and labour should get together with the designers to produce products which will show that Canada is not as stagnant as the Liberal party would like to make out, to show that we can produce these goods in Canada if we are given leadership by the government. I suggest we are getting that leadership now, and never before in our history has Canada had a trade minister with the vigour, the imagination and with the ability to go out and sell as we are honoured to have in Canada today. As I have said, we have listened over the years to the Liberal party and their bunch of nonsense. I am surprised that they should make any attempt to bring it up again.

Hon. members opposite like to talk about trade with Japan. We have, through negotiation and common ordinary horse trading, developed a better position in our trade with Japan than ever before in the history of this country. We sell to Japan grain and other basic raw materials that we never sold before. We are selling more than ever before; the gap between exports and imports has narrowed. We have done all these things and yet the opposition has the audacity to bring forward a grievance with regard to trade.

I turn now to a subject which is of particular interest to my home province, the question of oil and gas. We know the position of the Liberal party in this connection. They did not want to export any of it. They said: we have got to keep that at home. The hon. member for Laurier and the hon. gentleman who has just taken his seat talked about a great free trade area including the inner six, the United States, Canada and perhaps the outer seven. Can hon. members see what would happen to our oil industry in Alberta if that were to come about? As a matter of fact, the only thing which has kept our oil industry progressive and kept jobs available in Alberta today in the oil industry has been the policy of this government with regard to oil and gas. There has been no other reason for it, and I want to compliment the Minister of Trade and Commerce for going out to Calgary not long ago and setting it on the line again to the international oil companies. I do not know if those companies paid the Liberal party before, but they certainly had them in their pockets when they wrecked the entire oil industry of Alberta. Talk about trade. These people do not know the meaning of the term. We should like to see this country, where it is at all feasible, use the

oil and gas produced in Alberta and Saskatchewan and in any other province that may have it. We commend the government for its oil policy and we commend the minister for having the courage to stand up and defend it and say it is going to be implemented if these international oil companies do not do what they should have done.

The question of gas is a similar one. How many people are working in Canada today because of the national energy board, because of the export of natural gas? We have these commodities which are in surplus in Canada, and hon. members opposite would have us join a free trade area controlled perhaps by their friends but certainly not controlled to the benefit of the people of Canada.

The hon. gentleman asks: what have you done? Well, we have increased our exports to the United Kingdom by somewhere in the neighbourhood of 16 per cent while our balance with the United States has remained relatively the same. In Ottawa itself we held a trade conference and put into operation a sales plan the like of which has never been seen here before under the leadership of a vigorous minister. I know the minister can be accused of all kinds of things in this regard. He can be accused of being theatrical. But for the first time in the history of this country we are doing something about trade. When gentlemen opposite say they know the meaning of the word, I say they do not.

As an example, only last year a retired farmer from Saskatchewan was instrumental in selling a million bushels of malting barley to Peru, a market that government officials had failed to contact. I have told the people of western Canada and suggested to the wheat pools out there, and in particular to the Saskatchewan wheat pool, which is rather vocal at times, in voicing some of its ideas, that if they spent half the money they spend campaigning against this government on getting out and selling some of the produce that they are handling in the markets of the world we should be a lot better off; and if the rest of the pools, the united grain growers and the other western organizations would show a greater concern about marketing their produce rather than depending on the government the export picture would look even better than it is. Here, of course, is where socialism falls down. Government people will never show the same enthusiasm for selling a product or take the same interest in doing this job. Again, if many people in private industry would take a lead from the Minister of Trade and Commerce and accept as their motto those initials which he has engraved on his cuff links we in western Canada in the farm areas would be a lot better off.

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What else have we done? We have heard a lot of jeering and have been subjected to a lot of criticism with regard to the setting up of a productivity council. We have heard it is not going to be any good. We have heard you cannot take the best brains in the country and put them together and expect them to come up with anything. If we cannot control them, it is no good, our critics say. Perhaps this is the way they run their government but I am happy to be associated with a government which does not operate that way; a government with enough courage to take action with regard to setting up a productivity council to approach business, labour and representatives of agriculture and other forms of community endeavour in order to bring them together. We need something which will encourage us to lower our costs and which will help us to produce better so that we are more able to compete for world markets. We have been criticized for this by those people who think they know something about trade.

We have now on the order paper a bill sponsored by the Minister of Trade and Commerce in respect of a national design council. This is something of importance. We have a number of people in Canada today who are designing, inventing and producing new products who need leadership and help in getting these products into the right channels so that they can in turn help our over-all economic position. In spite of all these things the opposition maintain that we have done nothing.

I would also mention the baby budget, for which we have been criticized. I will have something more to say about the class or kind legislation but I want to say something in regard to my own constituency at this point.

The provisions of the baby budget in themselves have meant the difference between 400 men working, or not working, in my own constituency. These provisions made it possible for a pulp mill in my area to continue operating. In spite of that we have been told that we have done nothing.

Mr. Speaker: Order. I do not think the hon. member would be in order in discussing the budget at this time. That is a debate we have now completed.

Mr. Horner (Jasper-Edson): Thank you, sir. I acknowledge the propriety of your suggestion in this regard.

Mr. Chevrier: He has been out of order for the last half hour.

Mr. Horner (Jasper-Edson): My hon. friend felt quite free to wander over the whole subject of trade and I therefore felt that I

should be permitted a reasonable time to tell him what we are doing and what we have done.

With regard to the dominion bureau of statistics' booklets put out a few months ago, I might say that they contain some of the most valuable information available to members of parliament and other Canadians who are interested. These two books are coloured blue and yellow and it is the blue book which is of particular interest to me because it indicates the products which are imported into Canada and particularly agricultural products. Canadian citizens in western Canada feel that our country is an agricultural country, and very properly so as this is the basic industry upon which we depend. However, if one looks at this book regarding agricultural products brought into this country, it will be seen that they amounted to approximately $681 million; $38 million from the United Kingdom and $365 million from the United States. In spite of this we are told that we have done nothing by the implementation of a national policy on agriculture, by diversifying the production on our farms and by setting up policies through which we can at least keep the domestic market for our own farmers. Are they free traders? No, they are not. If you attempted to explain the term "free trade", you would have difficulty in many parts of Canada.

Referring to this dominion bureau of statistics' book in regard to animal products imported, one finds that something in the neighbourhood of $143 million has been imported, $18 million from the United Kingdom and $82 million from the United States.

We are an agricultural country and we pride ourselves in this and base our economy on agriculture, yet these people have suggested that we join a free trade area. They have not referred to agriculture primarily because they do not know anything about it. I must mention that we do have problems regarding trade in respect of some of our agricultural products. We have a problem in western Canada regarding our sheep industry. We would like to see the importation of lambs and mutton from Australia and New Zealand confined to that period when our own lamb and mutton is not available to the market. We have made some progress in this regard and hope to make more so that our own farmers will have the advantage of the domestic market in this regard in Canada.

We have heard talk about free trade this afternoon. I suggest that this free trade is only a figment of Liberal imagination, and I use that word with a capital "L". They have spouted this policy during the years, particularly in western Canada, with the assistance of a few particular newspapers which I think seriously gave their assistance for their own advantage and welfare rather than for the welfare of Canada as a whole. These hon. members suggest that we should have a free trade area with the United States. I would ask them how they propose to handle the wheat problem if they do have a free trade area. The United States has now a billion bushel surplus and at last count we had somewhere in the neighbourhood of between 500 and 700 million bushels surplus. Those hon. members suggest that they are going to solve this situation by having a free trade area. Perhaps they can solve the problem by giving the wheat away if they can find someone to take it. I would suggest somewhere along the line perhaps they will be willing to pay back to the farmers of western Canada the $600 million which they stole.

The things I have mentioned my hon. friends on the other side forget about when they start talking about trade. When the Prime Minister suggested we should try to divert 15 per cent of our trade from the United States to the United Kingdom he was speaking as a Canadian not representing western Canada but Canada as a whole. The hon. members for Laurier and Essex East spout at one moment for free traders but when they get back in their own ridings they then become high protection advocates. I am afraid that I am unable to follow that policy. I believe we must be good horse traders and am very proud that this government and particularly the Minister of Trade and Commerce, represent the best horse traders that I know.

Mr. J. W. Kucherepa (High Park): Mr. Speaker, I am very happy to rise and participate in this debate today because during the past year it has been my privilege to have attended several meetings of the standing committee of the NATO parliamentarians conference in Europe, during which time this question of trade was discussed at great length.

Today we are dealing with a motion made by the hon. member for Laurier (Mr. Chevrier). I will read this motion in order to bring it back into perspective. It is as follows:

> This house regrets the protectionist and inconsistent trade policies of the government and its failure to develop a long term foreign economic policy to enable Canada to participate fully in the challenging new opportunities in the field of international trade by implementing a vigorous program to promote the expansion of our secondary manufacturing industries and by encouraging the development of an Atlantic economic community.

I think perhaps it would be wise on my part to introduce at this point some background regarding this whole problem which has been raised by the opposition in the house

today. I am referring to the convention on the organization for economic co-operation and development which was recently passed by this House of Commons. I will just quote from article 1 which reads as follows:

The aims of the organization for economic co-operation and development (hereinafter called the "organization") shall be to promote policy designed:

(a) to achieve the highest sustainable economic growth and employment and a rising standard of living in member countries, while maintaining financial stability and thus to contribute to the development of the world economy;

(b) to contribute to sound economic expansion in member as well as non-member countries in the process of economic development; and

(c) to contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations.

I am sure that all hon. members are aware of the fact that this new organization for economic organization and development is the successor of a former organization which was known as the organization for European economic co-operation, the so-called O.E.E.C.

As you know, sir, a committee of four wise men was set up to study the whole question of O.E.E.C. and what future changes might be made in that organization. The O.E.C.D. is the result of the study of the four wise men. The four wise men, of course, were Mr. Burgess, Mr. Clappier, Sir Paul Gore-Booth and Mr. Xenophon Zolotas. Ambassador Burgess of the United States was the chairman of this committee. They brought down their report in April, 1960. When one realizes that this report which was brought down by the four wise men was the precursor of this new organization whose convention we ratified, then there develops a kind of significance. I should like to quote from the report of the four wise men regarding matters of trade, and I shall attempt to correlate it with the amendment now before the house. I am quoting from page 27:

The aim of the O.E.E.C. was to restore the economy of its member countries and thus enable them to meet fully the trade and payments obligations arising from their undertakings in world organizations. Thus the O.E.E.C.'s first trade activities encouraged the development of trade primarily among its member countries, so as to complement the stimulus that American financial aid would be exerting on the European economy and reduce and even wipe out the dollar gap. Twelve years later, a high degree of success has been achieved in this direction—

I might mention that the original O.E.E.C. was set up in April of 1948. I continue:

Twelve years later, a high degree of success has been achieved in this direction: balance of payments difficulties have, in general, disappeared; external convertibility of the principal currencies has been restored; and the liberalization of trade in industrial products is almost complete. Furthermore, the liberalization of trade in Europe has played an important role in unshackling world trade.

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But since the O.E.E.C.'s activity in the field of trade was in pursuit of objectives now largely achieved, and since it operated in a context which is now superseded, one might conclude that the future organization should do nothing in this field and abandon all the rules and procedures evolved in the course of 12 years of European co-operation.

One might be tempted to do this at first sight, since active co-operation in the field of trade, limited to the 18 European members of the O.E.E.C., runs up against the well-known objections which led governments to give us our task on January 14. Furthermore, bearing in mind the GATT rules and the duties (of various orders) which the industrialized countries recognize towards the underdeveloped countries, trade co-operation in a group consisting of the United States, Canada and the 18 members of the O.E.E.C. would evoke similar objections.

Nevertheless, since commercial policy, as an element in general economic policy, will certainly be within the responsibility of the future organization, it is difficult to imagine that such a clear-cut answer would be acceptable. Nor, moreover, would it be opportune, since the initial objectives of the O.E.E.C. have not been fully achieved by all its members. On the other hand it should be publicly accepted that the trade activity of the future organization will be carried on according to the principles of the GATT.

In making reference to these remarks of the four wise men, I am going to point out something which apparently has not been too apparent in this house. The people who are today proposing a free trade area of the Atlantic economic community; that is to say, of the free western world as we know it, are the people who in the year 1948 did not see fit even to join as full members the organization which at that time was known as the O.E.E.C. At that time Canada and the United States were only associate members of this organization which in the years which followed developed such great success in the field of trade and in the recovery which took place in Europe. Today we are being asked to create a free trade area. I think the Minister of Trade and Commerce who replied to the amendment today made it very clear that this was a switch in the thinking of members of the opposition.

The hon. member who spoke just prior to me made it very clear that there are men who speak for the opposition in this parliament who one day say one thing and another day say another thing because when this opportunity was presented to them when they were members of the government they rejected it; they did not become members of this great Atlantic community when they had an opportunity to do so. But they criticize the present government for not doing enough, although Canada has now become a full member of the organization for economic co-operation and development.

There is an impression about that by being part of an organization such as the Atlantic economic community, then suddenly all barriers will disappear and we shall have what

I might describe as an almost idealistic state of no tariff barriers whatsoever. I should like to point out, Mr. Speaker, that this is not so even today in the common market among the so-called inner six of Europe who are close to economic integration and, yes, I might even suggest there is some tendency toward political integration in this particular grouping; they have not eliminated all their tariff barriers. In fact, they are progressively taking action to bring about certain changes. On July 1, 1960, the first set of internal tariff reductions in the E.E.C., which is the inner six, and the first set of these for the E.F.T.A., which is the outer seven in Europe, came into operation. In each organization their internal customs duties were lowered by 20 per cent on the basic duty. Therefore, Mr. Speaker, sometimes when we listen to the debates in this house and we hear about these free trade offers we feel that there will be no tariffs, and all this criticism about protectionists and inconsistent trade policies of the government simply flows out of the window because it just does not make sense. For example, the Federal Republic of Germany, which is a member of the inner six, also has a lot of its trade outside of the grouping known as the inner six. I might say that a high proportion of its trade is with what we call the outer seven and it has lower tariffs than the others. Tariff reduction has been used on their part to curtail inflation in that country. Germany, which is a member of the inner six, is obliged to raise its tariffs from July 1, 1960, and again before December 1, 1960, in accordance with the proposals of the commission of the European community. Therefore, we see that this proposal for a free trade area is not as simple a proposition as it is being made out by the speakers who have spoken for the opposition.

We might refer to some of the problems which face the inner six and the outer seven in Europe. Perhaps we should not forget that in that so-called Atlantic community which we speak loosely of as the inner six and the outer seven there are other, as it were, forgotten countries of the western world such as Greece, Turkey, Spain, Ireland, Finland and Iceland.

Mr. Pickersgill: Finland has joined the free trade association.

Mr. Kucherepa: Yes, but not in a direct way. My hon. friend from Bonavista-Twillingate interrupts.

There have also been contacts with other countries in Europe but not as part of the structure as we understand it and as we know it. These changes have taken place in Europe. These blocs have been formed, the inner six and the outer seven and we find there are great difficulties in achieving further integration of the inner six and the outer seven.

Reference might be made here to the position of the United Kingdom in this regard. At the present time the United Kingdom does not adhere to the treaty of Rome for several reasons, two of which I think are of great importance. The first is, of course, the United Kingdom's connection with the commonwealth. Some people suggest that this is not a very important force but when one realizes the extent of the trade of the United Kingdom it then becomes another matter.

The commonwealth is the world's largest preferential trading organization. Sometimes some of the hon. members to my right do not seem to be aware of that. Its exports are about 19,000 million annually or over 25 per cent of total world exports excluding trade between members of the Soviet bloc. Its imports are more than 110 million and represent 30 per cent of world imports. One-quarter of the world's population lives in the commonwealth.

A high proportion of commonwealth trade is in primary commodities from underdeveloped countries, some of whom are wholly dependent upon the United Kingdom market. It is politically unthinkable for the United Kingdom to enter into any agreement with the Six which would have as its effect the ruin of even a small British colony or country. Such action would be the end of whatever influence the United Kingdom possesses as the motherland of the commonwealth.

These things are very significant, Mr. Speaker. The fact is that there are these great divisions among the nations of Europe and they have not been able to find common ground in the European field even though they were members of the organization for European co-operation for so many years. Even with the efforts of the organization for European economic co-operation, its success can be measured by the fact that two distinct trading blocs have developed.

From what I have observed in Europe I may say that despite all the efforts which have been made on both sides there does not seem to be thus far a coming together of the thinking of the leaders of the two blocs. There is no question that the inner bloc is a much more strongly integrated organization than the E.F.T.A. which is a rather loosely organized group. Nevertheless, there are the difficulties that arise primarily because of the position of the United Kingdom which out of deference to other members of the commonwealth will not sacrifice the preferential treatment it accords to them and vice versa.

The problem has been tackled by many of the leading lights of Europe in the field

of economics but no conclusions have been reached yet. The commission of the European economic community is an organization headed by Professor Hallstein, a very distinguished European in the field of trade, and on March 28, 1960 he said in Strasbourg that it will be possible for the community—the inner six—to show good will toward all other GATT members by reducing the level of the common external tariff. He went on to say that such a move, if it were matched by reciprocal action, would "open the way, particularly in Europe, to tariff reductions which will take into account all the essential needs of European trade".

We hear talk about tariffs being wiped out lock, stock and barrel but this is not so. In the few minutes I have been speaking I think I have been able to demonstrate that even within that group which we know as the inner six there are tariff barriers which are applied on the part of those countries belonging to the inner six with respect to the members of the outer seven. In the case of some members of the inner six these tariffs are more lenient than in the case of others. In particular, I refer to the German system of tariffs which provides for lower tariffs so far as members of the outer seven are concerned than is the case with some of the other countries belonging to the inner six.

Members of the opposition have brought up the question of free trade in the Atlantic economic community. I think there is no question that when the minister replied to the charges of the opposition he made it very clear that on this continent we might suffer greatly if the type of program being put forward by those who sit on my right were implemented because we have problems of which Canadians are well aware. There is the problem of transportation. The hon. member who preceded me spoke about the problem of the cost of transporting various items from eastern Canada to western Canada. What would their suggestion mean to our economy? What would it mean to Canada's economy in general? I would think that the hon. member who moved the amendment and his supporters are suggesting something in which they themselves do not believe because, as I have gone to some trouble to point out, when they had the opportunity in 1948 to become a part of this Atlantic community—and we all admit it has had certain successful results—they rejected the idea. Yet they come into the house today and say that the present government, which was the first government to ratify the new O.E.C.D. convention, is not doing the thing which they themselves failed to do when they had the opportunity to do so in 1948 and which, if they had had the foresight to do so, would have meant that we would not have the problems in the field of trade that we face in Canada today.

We have a minister who works hard, who is selling as much as he can, who is promoting trade for Canada, and I am sure the people of Canada are grateful that such a minister is occupying this position today. The point I should like to make is that those who have introduced the amendment had an opportunity to do something in this field. They had a chance to become a full member of the Atlantic economic community and they rejected it. May I call it ten o'clock?

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire from the house leader whether there is any change in the program for this week announced by his colleague, the Minister of National Revenue, on Friday?

Mr. Churchill: There will be no change except possibly for Friday. I may have to name a different department so far as estimates are concerned and if so I will do it tomorrow night.

Mr. Chevrier: Can the minister indicate now what the department will be that he intends to call?

Mr. Churchill: No.

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

Question

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of debates pursuant to standing order 39:

EGG PRODUCERS IN CANADA

Question No. 159—**Mr. Boulanger:**

1. How many producers of eggs are there in Canada?

2. How many producers of eggs have registered at the grading establishments in Canada in 1960-61?

Answer by: **Hon. Alvin Hamilton (Minister of Agriculture):**

1. The latest figure available from the 1956 census for Canada is 336,553.

2. Producers of eggs do not register at grading stations. To date 97,082 producers have registered with the agricultural stabilization board under the deficiency payment program for eggs.

CANADIAN HOG BREEDERS

Question No. 160—**Mr. Boulanger:**

1. How many hog breeders are there in Canada?

2. How many hog breeders are registered at the establishments inspected and approved by the federal government and where classification is carried out for the purpose of qualification for deficiency payments in 1960-61?

Answer by: **Hon. Alvin Hamilton (Minister of Agriculture):**

1. The latest figure available from the 1956 census for Canada is 287,357.

2. Hog producers are not registered at slaughtering establishments but the agricultural stabilization board registration is 185,734.

HOUSE OF COMMONS

Tuesday, April 25, 1961

The house met at 2.30 p.m.

BROADCASTING

CONCURRENCE IN SECOND REPORT OF SPECIAL COMMITTEE

Mr. G. C. Fairfield (Portage-Neepawa) presented the second report of the special committee on broadcasting and asked for unanimous consent to move that the report be concurred in.

Mr. Speaker: Has the hon. member unanimous consent to move his motion?

Some hon. Members: Agreed.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, while I do not intend to oppose this motion in the circumstances which have arisen as a result of the decision of the house yesterday, I feel it is only right that it should be pointed out that the work of this very important committee is going to be very seriously interfered with by that decision.

Motion agreed to.

EXTERNAL AFFAIRS

LAOS—ANNOUNCEMENT OF STEPS TOWARD SETTLEMENT

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I wish to inform the house that the co-chairmen of the Geneva conference have now reached agreement on the steps to be taken aimed at bringing about a settlement in Laos. Yesterday, April 24, the governments of the United Kingdom and the Soviet Union issued an appeal for an immediate cease fire and called on all military authorities, parties and organizations in Laos to stop fighting and to enter into negotiations about arrangements for the cease fire.

Simultaneously the co-chairmen sent a message to the Prime Minister of India stating that they had called for a cease fire and proposing that he convene the international supervisory commission for Laos in New Delhi. It was the view of the co-chairmen that the commission will, in the first instance —and I quote from their joint message of April 24—

—discuss the question of the tasks and functions which should be allotted to it after the cease fire in Laos, and will present an appropriate report to the co-chairmen who will consider the commission's report and give it directions on going to Laos to carry out the work of controlling the cease fire.

The co-chairmen have also agreed that an international conference should meet in Geneva on May 12 to discuss a settlement of the Laotian problem. The countries invited to this conference are those which attended the Geneva conference of 1954; the United Kingdom, the Soviet union, the United States, communist China, France, North Viet Nam, South Viet Nam, Cambodia and Laos; in addition, the members of the international supervisory commission, Canada, India and Poland; and two of the neighbouring countries, Thailand and Burma. All fourteen have been invited to send representatives. This membership follows that proposed by the chief of state of Cambodia, Prince Sihanouk, on January 1 of this year.

Yesterday morning I saw the ambassador of the Soviet union and the acting high commissioner for the United Kingdom, as representatives of the co-chairmen, and received from them the text of the invitation to the conference and a copy of the appeal for a cease-fire and of the message from Lord Home and Mr. Gromyko to Mr. Nehru. Last evening I received from Mr. Nehru a message requesting the government of Canada to nominate its representative on the commission and proposing that the first meeting of the commission should be held in New Delhi on Friday next, April 28.

I think the house will agree that the arrangements worked out between the co-chairmen, including the call for an immediate cease-fire to be effective before the international conference begins its work, constitute an important step toward the restoration of peace to Laos.

In response to the proposal that the commission should meet at once in New Delhi, I have named Mr. Leon Mayrand as Canadian member of the commission. Mr. Mayrand, who was our representative on the Laos commission in 1954-55, is at present our ambassador in Rome, and will be en route to New Delhi at the present time; at any rate. Mr. Mayrand will be assisted by Mr. d'Iberville Fortier of the Department of External Affairs, at present our representative on the commission in Cambodia, and by Brigadier P. S. Cooper of the Canadian army as senior military adviser, as well as by various other advisers.

Steps Towards Settlement in Laos

The Canadian government also accepts the invitation to attend the conference on Laos in Geneva. I expect to lead the Canadian delegation in the opening stages of the conference, which of course will follow almost immediately after the ministerial meeting of the North Atlantic council in Oslo which is scheduled to take place from May 8 to May 10 inclusive. The alternate head of the Canadian delegation to the conference will be Mr. C. A. Ronning, the Canadian high commissioner in India, whose long and distinguished service to Canada in Asia will be familiar to members of this house. He will be assisted by Mr. P. A. Bridle, our ambassador in Turkey, who was Canadian commissioner in Laos in 1955-56, and by civilian and military advisers with experience on the commissions.

By leave of the house Mr. Speaker, I should like to have the texts of the three documents, issued yesterday by the co-chairmen, and the text of the message from the prime minister of India, printed as an appendix to today's *Hansard*.

Mr. Speaker: Has the minister the consent which he requests?

Some hon. Members: Agreed.

[*Editor's note: for text of documents referred to above, see appendix.*]

Hon. Paul Martin (Essex East): Mr. Speaker, the statement of the Secretary of State for External Affairs is the first intervention in which the minister has been in a position to report progress regarding this regrettable situation in Laos. The proposal of the co-chairmen, the foreign ministers of the Soviet union and the United Kingdom, as communicated to Canada and other members of the international truce supervisory commission, is of a threefold character, I would gather from what the minister has said; first of all, there is an agreement on a cease-fire; second, steps taken in Delhi for reactivation of the international supervisory commission; and third, there is to be a conference originally proposed by Prince Sihanouk of Cambodia of the Geneva and other powers.

It will be recalled that Canada, as a member of the commission which was set up by the Geneva accord in 1954, took the position that the commission could not be reactivated in the absence of the consent of the royal government of Laos. The minister did not mention whether that permission has now been extended, but I assume it is now the case that the royal government has consented to having the commission reactivated and assuming responsibilities in Vientiane. The reactivation of the commission is something that has been proposed now for some time, notably by the country represented by the chairman of the commission, namely India.

The house was happy to be assured by the Secretary of State for External Affairs some months ago that if the commission had not been reactivated, notwithstanding reports to the contrary which emanated from India, the responsibility was not that of Canada. But this is not the place to engage in polemics; perhaps tomorrow further elucidation will be given by the minister as to this particular. The minister mentioned that the commission is going to have a preliminary meeting in New Delhi. I am sure he will agree that the record of achievement of this commission, particularly in Vientiane, more so perhaps than the commission in Viet Nam and Cambodia, has demonstrated its capacity for effectiveness in maintaining the peace.

The proposal for a conference of the Geneva and other powers does not come to the minister as a surprise because I think in January of this year he himself had proposed that this might be one of the ways of providing for a settlement of this very difficult situation in an area that is so vital to the peace of Asia and as a consequence to the peace of the world. The conference itself is now to have more participating nations than the conference of 1954. This time Canada is to be a full member along with Thailand and Burma, countries that certainly have a very direct interest in what evolves in that part of old Indo-China. In 1954 Canada was—

Mr. Green: And India and Poland.

Mr. Martin (Essex East): —a member of the international supervisory commission, along with India and Poland. Canada was not formally a member of that portion of the Geneva conference in 1954 that dealt with Indo-China, but she was represented there by the present Leader of the Opposition in respect of matters that had particular bearing on Korea. It is of interest to know that Mr. Chester Ronning, our Indian high commissioner in India, who had experience at that conference, will be at this new conference to assist the minister in the very important deliberations that will now affect Canada and other nations vitally and directly. The presence of Mr. Leon Mayrand as our representative on the international supervisory commission likewise would seem to be a wise appointment, in the light of his experience in 1954 on the commission in Laos.

We can only hope, Mr. Speaker, that the agreement between the co-chairmen, now confirmed by the three countries on the supervisory commission, will help to restore peace in an area that affects not only India and the other countries of south and southeast

Asia but all the nations of the world, particularly at this very difficult time when there has set in such a deterioration in international affairs. One can only hope that it is not too late to repair for that country and for the peace of the world, situations that have been allowed to evolve during the course of the last year when the interests of the west and of other nations concerned seemingly have been very seriously affected as a result of the fighting in Laos.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, while on occasions we differ from the minister, we know of his serious concern for those problems which face the world today. We notice that whenever he has an opportunity to announce some good news he does so with relish.

I might say, Mr. Speaker, that, in view of recent events and the possibility surrounding them, we in this group were relieved and delighted to hear of the agreement that has been effected between Mr. Harold Macmillan of Great Britain and Mr. Khrushchev representing the U.S.S.R. Regardless of all the dark clouds surrounding us at this time, and the fears that arise on occasion, it does demonstrate what can be done when persons representing the western world in the right frame of mind, the right spirit and with the right purpose do what they can to reach agreement. In the opinion of this group this demonstrates the value of the type of persons in such negotiations who can keep their feet on the ground when everybody else is losing their balance.

We are very pleased to hear that Mr. Chester Ronning, our high commissioner in India, is going to be associated with this conference. His ability, his experience and his record are sufficient to indicate that his assistance and contribution to this conference will be to the credit of Canada and for the welfare of all concerned with restoring peace in this portion of the world.

FINANCE

ROYAL CANADIAN MINT—REVISION OF RATE STRUCTURE

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I should like to inform the house briefly of the promulgation of an amendment to the gold bullion regulations pursuant to the Currency, Mint and Exchange Fund Act, revising the rate structure charged by the Royal Canadian Mint and the Bank of Canada in respect of gold bullion operations. The new charges are being instituted following a cost and revenue analysis of gold bullion operations. The new rate structure represents the first revision of mint charges in 30 years.

Generally speaking, melting, assaying and refining charges are being increased and handling charges—that is charges for the marketing of the gold outside Canada by the Bank of Canada—packing and storing charges are being reduced. The new rates for assaying and refining are comparable to United States mint charges; the reduced rates for handling, packing and storing more closely represent the actual cost of the service provided. The net effect of the revision will generally represent some saving to gold producers, the exception being suppliers of low grade ores.

HOUSE OF COMMONS

EXPERIMENTAL TAPE RECORDING OF PROCEEDINGS

Mr. Speaker: By leave of the house—and I should first inform the house that I have already consulted the party leaders—I should like to ask for the approval of the house to carry out some experiments in reporting the proceedings of the house by using tape recording machines in conjunction with our sound amplification system. The purpose is to determine whether mechanical recording can usefully be used in combination with shorthand reporting, as is being done in some other jurisdictions, and to develop this information for the guidance of the committee on procedure and of the house itself. As I have said, nothing is contemplated other than experimental recordings. Is it agreed?

Some hon. Members: Agreed.

[*Later:*]

On the orders of the day:

Mr. John Drysdale (Burnaby-Richmond): Mr. Speaker, may I direct a question to you by way of clarification or, if it is not possible to direct it to you, may I ask my question of the house leader.

The question is in connection with your announcement, Mr. Speaker, regarding the use of tape recorders in connection with *Hansard* proceedings. What, if any, steps are being taken to prevent the use of these tape recordings on radio or television, or is it the intention that they be used on these types of broadcasts?

Mr. Speaker: It is not proper for the Chair to accept questions, but I asked leave of the house to have experimental recordings made, and when I asked that leave I assured the house it would only be experimental and not for use.

AIR TRANSPORT

CABINET CONSIDERATION OF APPLICATIONS RESPECTING ROUTES

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question

to the Prime Minister. Has a committee of cabinet been established to hear the representations of Trans-Canada Air Lines and Canadian Pacific Air Lines in connection with domestic and international routes?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as the hon. gentleman realizes full well, whatever committees have been set up by cabinet are not revealed in the house.

Mr. Chevrier: I should like to ask a supplementary question. Is the cabinet giving consideration to an application of this nature made by either of the two air lines I have mentioned?

Mr. Diefenbaker: It is not for me to say what matters the cabinet is considering. If the cabinet gives consideration to these matters and arrives at a determination, then an announcement will be made.

Mr. Chevrier: May I then direct a question to the Minister of Transport, and ask him if it is the intention of the government to ask the air transport board to hold public hearings into the merits of these applications by C.P.A. or T.C.A., as the minister indicated in his speech to the air industries transport association in Quebec city in November.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, when the cabinet has reached a decision on this matter that decision will be communicated to the house.

ELDORADO AVIATION LIMITED—REPORTED TAKING OVER BY PACIFIC WESTERN AIRLINES

On the orders of the day:

Mr. William Skoreyko (Edmonton East): Has the Minister of Transport seen the press reports suggesting that the air services operated by Eldorado Aviation Limited may be taken over by Pacific Western Airlines without a public hearing? If so, can the minister advise whether a public hearing will be held in respect of any such change and, if so, where and when?

Hon. Leon Balcer (Minister of Transport): This is strictly a matter for the air transport board. There will be a public hearing, but I am not in a position to say at what date.

EXTERNAL AFFAIRS

ALGERIA—EXPRESSION OF SUPPORT FOR FRANCE ON INSURRECTION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I wonder whether the Secretary of State for External Affairs would care to make any comment or give the house any information on the situation in Algeria, and in particular can the minister inform the house whether Canada has expressed to the government of France our sympathy and support at this difficult time?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the government has viewed and still views with deep concern the military insurrection which is taking place in Algeria against the lawful government of France. I do not try to conceal from the house our anxiety over the gravity of the situation and the serious consequences it may have both in France and in Algeria. There is little doubt that the insurrection was primarily directed against President de Gaulle's liberal policy in Algeria.

I wish to take this opportunity of expressing the Canadian government's unabated support for President de Gaulle himself and for his Algerian policy. I do not think I should go any further at the present time.

CUBA—INQUIRY AS TO REPRESENTATIONS TO U.S.

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs with regard to the delicate situation in Cuba. My question arises out of many press reports to the effect that President Kennedy has been considering direct action with regard to Cuba. I am wondering whether Canada is prepared to make a statement in this general area, and has Canada made any representations of any kind to the United States?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I think the hon. member can take it for granted that President Kennedy did not have Canada in mind when he made that statement.

Mr. Argue: That answer does not refer at all to my question. My question concerned reports to the effect that President Kennedy might take direct action with regard to further intervention in Cuba; it was not in regard to Canada. I wonder whether the Canadian government has made any statement or representations to President Kennedy with regard to the situation in Cuba.

Mr. Green: As I told the hon. member the other day, we cannot come into the house and explain the various representations we make to the United States or any other countries, although representations are made from time to time to various countries. At the moment I would not care to go any further than that. However, the hon. member can rest assured that when the occasion seems to call for representations by Canada, such representations will be made.

Mr. Argue: But they have not been made—

Mr. Speaker: Order.

Mr. Argue: This is just a supplementary question—

Mr. Speaker: Order. I am sorry; I cannot entertain another supplementary question in regard to this matter. The minister has made it clear that he does not propose to answer the question, for the reasons he gave.

Some hon. Members: Sit down.

Mr. Argue: I thought the minister implied that no representations had been made.

SPORTS

OLYMPIC GAMES—INQUIRY AS TO REPORT ON SITE

On the orders of the day:

Mr. Arthur Smith (Calgary South): I should like to direct a question to the Minister of National Health and Welfare and ask him whether, in view of the decision of the Canadian Olympic Association awarding the location of the winter Olympics to Banff, the government is in a position to endorse the recommendation of the Canadian Olympic association.

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I am happy to say I see no reason to disagree with the decision of the Canadian Olympic Association, which was made after very careful study of the report presented to them.

Mr. Eldon M. Woolliams (Bow River): May I ask a supplementary question. Is the minister in a position to announce any decision with respect to federal financial assistance in the development of the site?

Mr. Monteith (Perth): No, Mr. Speaker.

NATIONAL DEFENCE

PETAWAWA—VETERANS PREFERENCE IN CIVILIAN APPOINTMENTS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address an innocent question to the Minister of National Defence. Can the minister assure the house that the veterans preference is being observed in connection with the appointment of civilian staff at Camp Petawawa?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, the Civil Service Act provides for preference for veterans with overseas service in appointment to positions subject to the Civil Service Act. The Department of National Defence civilian personnel regulations extend the same preference to appointments to positions exempt from the Civil Service Act. The department is not aware of any departure from the relevant regulations in regard to appointments to the civilian staff at Camp Petawawa.

Mr. Herridge: A supplementary question, Mr. Speaker. Would the minister consider that a veteran who had been decorated for bravery qualified for overseas service?

Mr. Harkness: Mr. Speaker, I think the hon. member is well aware of what is involved in overseas service, as he has been a member of the veterans affairs committee of this house for the last 15 years whenever that committee has been sitting.

(Translation):

CANADIAN BROADCASTING CORPORATION

ALLEGED ANTI-AMERICAN CAMPAIGN

On the orders of the day:

Mr. J. N. Tremblay (Roberval): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. Who has authorized the C.B.C. to lauch, these last few days, an intensive anti-American propaganda campaign over the government-owned radio and television network?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, I shall take this question as notice.

Mr. Tremblay: A supplementary question. Will the inquiries made by the minister about this matter only be a routine check meant to inform us of something that we already suspect, namely that the C.B.C. is in no way to blame?

LABOUR CONDITIONS

REPORTED STATEMENT BY LABOUR MINISTER

On the orders of the day:

Mr. H. Pit Lessard (St. Henry): Mr. Speaker, I should like to put a question to the Minister of Public Works. *Le Devoir* reports this morning a statement made yesterday by the minister to a delegation of unemployed to the effect that pick and shovel jobs are available for the asking. As there are in my riding thousands of unemployed anxious to work, can the minister tell us to whom they should apply and how many jobs are available?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I have not read the article referred to.

Inquiries of the Ministry

CANADIAN PACIFIC RAILWAYS

REPORTED INTENTION TO CANCEL MONTREAL-QUEBEC CITY TRAIN

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I should like to direct a question to the Minister of Transport. Is the minister aware that the C.P.R. is planning to cancel its night train service between Montreal and Quebec starting May 15? Does the minister intend to approach the board of transport commissioners with a view to having that service maintained?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I shall be pleased to refer my hon. friend's request to the C.P.R. management.

(Text):

BUSINESS OF THE HOUSE

PATENT ACT—INQUIRY AS TO REVISION THIS SESSION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Secretary of State. In view of the minister's statement to the house on April 4, 1960 to the effect that appropriate legislation with relation to patents would be introduced at the next session of parliament, is it still the intention of the government to introduce such legislation during the present session?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I must thank the hon. member who was kind enough to give me notice of his question. My answer is this. It is not the intention of the government to introduce a bill to revise the Patent Act at this session. The Ilsley commission's report on inventions was the last of three reports submitted by the commission, and we are still in the process of preparing recommendations for the possible revision of the legislation on copyrights and industrial designs.

INQUIRY FOR RETURN

CAUSEWAY CONSTRUCTION, P.E.I.-N.B.

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I could ask the Minister of Public Works how soon he expects to be in a position to make a return of the correspondence with the government of Prince Edward Island regarding the causeway, in view of the fact that he told us 11 days ago he had received the consent of the premier to table this correspondence in this house.

[Mr. Walker.]

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I do not wish to embarrass my hon. friend, but I think that was filed at the end of last week.

Mr. Pickersgill: Would the minister point out, in that case, why it is that the officials of the house seem to be unaware of the fact that the filing took place, as an inquiry was made just before the opening of the house. At the same time, may I ask the minister if he would seek to expedite this matter as soon as he has ceased giving out pick and shovel jobs.

TRADE

SOUTH AFRICA—REPORTED ASSURANCE OF MAINTENANCE OF ARRANGEMENTS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Trade and Commerce whether he would care to comment on reports that he has given an assurance to the South African trade mission now in Canada that there will be no alteration in the existing preferential trade arrangements with that country once it leaves the commonwealth.

Hon. George H. Hees (Minister of Trade and Commerce): That is correct.

SUPPLY

The house resumed, from Monday, April 24, consideration of the motion of Mr. Fleming (Eglinton) for committee of supply, and the amendment thereto of Mr. Chevrier, and the amendment to the amendment of Mr. Regier.

TRADE—ALLEGED FAILURE TO PROMOTE SECONDARY INDUSTRIES

Mr. Kucherepa: Mr. Speaker, when the house adjourned at ten o'clock last night I was discussing the ramifications of the problem which faces the countries of the inner six and the outer seven in Europe in coming together and creating a European economic community.

As I glanced over *Hansard* this morning I noticed that some statistical information which I gave to the house last night is not in accordance with the statement I made. This is relevant to the commonwealth and is to be found on page 3958, the righthand side, the fourteenth line. I shall quote the passage and correct the statistics which appear there improperly:

> The commonwealth is the world's largest preferential trading organization. Sometimes some of the hon. members to my right do not seem to be aware of that. Its exports are about—

The figure is represented here as "19,000 million annually"; it should be "£9,000 million annually". My statement continues:

—or over 25 per cent of total world exports excluding trade between members of the Soviet bloc. Its imports are more than—

It states "110 million" here; it should be "£10,000 million annually". The statement continues:

—and represent 30 per cent of world imports. One quarter of the world's population lives in the commonwealth.

At that time I alluded to the fact that there were several problems facing the countries of western Europe in trying to come to some conclusion with regard to an economic community. As far as the outer seven are concerned, of which the United Kingdom is the leading member, I pointed out there are two great problems which face the United Kingdom in arriving at an agreement with the inner six. First there is the fact that the U.K. is a member of the commonwealth, and the statement I have just quoted from yesterday's *Hansard* with the corrections presents one of the big reasons why the United Kingdom cannot at this time join with the inner six in forming a European economic community.

There is another important reason why the United Kingdom cannot join the inner six on the continent under present arrangements, and that is primarily because of the nature of the farming industry in the United Kingdom. In the United Kingdom, farmers are protected not by tariffs but by subsidies. Food enters the United Kingdom free of tariffs, and the price of food is thus about one fifth lower than it is in the countries of the inner six. The United Kingdom imports no less than half its food, so changes in the support policy would have far-reaching effects.

The amendment put forward on behalf of the C.C.F. seeks to place a comma after the amendment moved by the official opposition and to add the words:

to prevent a drastic loss of overseas markets for agricultural and other primary products.

At once it becomes apparent that the implications of this subamendment would be dangerous to the interests of the farming community of our country. For this reason no one who has the agricultural interests of the country at heart or who is concerned about the interests of our primary producers could, in the face of the facts which I enumerated at some length in the course of my remarks yesterday and today, support the subamendment which has been moved on behalf of the C.C.F. group, supported, of course, by the New party.

Alleged Lack of Trade Policy

Returning to the main amendment, I remind the house that it expresses regret at what it calls the protectionist and inconsistent trade policies of the government. I wonder what the mover of the amendment had in mind when he made use of the word "protectionist". Most hon. members will agree that the policies which are presently being followed, in so far as giving some protection to our industries is concerned, existed during the time the members of the Liberal party who today sit in opposition constituted or supported the government of this country. How can they at this point bring into this house the suggestion that these policies which we have continued, to some degree, are to be regretted? They are in effect condemning themselves for the action they have taken in the past.

I cannot agree with this part of the amendment at all, because what has been done in the past has proved itself to the extent that we have thousands of Canadians employed today in industries some of which have received the type of protection to which hon. members in the Liberal party allude as being undesirable. Our concern—and I am sure it is the concern of all Canadians—is not only to maintain but to increase the number of jobs available in Canada, and this has been achieved progressively over the years by the utilization of all the methods which governments can devise to attain this end.

Further, the amendment expresses regret at what it calls the inconsistent trade policies of the government. Well, the present government has marched forward in this field. There is no inconsistency in its trade policies. It has taken an important stride forward even during the present session, and I refer to the ratification of the O.E.C.D. convention, which makes us full members of the Atlantic economic community. As to the organization which preceded it, we were only associate members; we were not really a part of that community which evolved so successfully over the past 12 years, the final result, of course, being the development of the inner six and the outer seven.

Those countries which belonged to the O.E.E.C. have come a long way and are going even further, and our country has now become an equal member of this Atlantic community within the organization known as the O.E.C.D. I think this is one of the longest strides this country has taken in the field of trade and economics for many years, and for this reason I suggest that the part of the amendment which I have just quoted has no meaning whatsoever.

The government has also been accused of failing to develop long term foreign economic

policies. I do not know what the mover of the amendment had in mind when he made that statement, because it is somewhat ambiguous. Canada is a great trading nation; our export trade is most important, and I do not think any minister of trade and commerce has exerted himself more in developing this trade than the minister who now holds that portfolio.

Further on the amendment refers to a vigorous program to promote an expansion of our secondary manufacturing industries, and to encouraging the development of the Atlantic economic community. All I can say is that the mover of this amendment was a member of the former Liberal regime which held office for some 22 years, and I think the people of Canada, on reflection, will well remember the policies pursued by that government with regard to the development of our secondary industries. I do not think I need say any more in that regard.

I have spoken at some length about the development of the Atlantic economic community. This government, as I have said before, has gone a long way in participating in the economic development of the western world. We have now gone as far as any other country in the Atlantic world, by which I mean western Europe and North America. No other country has gone further. Having been associate members of O.E.E.C. we are now full members of O.E.C.D., an organization in which the countries of western Europe and North America are placing great hope.

Therefore, in view of the arguments I made last night and those I have added today I do not think it is possible for me to support either the amendment moved by the hon. member for Laurier or the subamendment put forward on behalf of the C.C.F. party.

Hon. L. B. Pearson (Leader of the Opposition): Speaking on this amendment I do not wish, at least at this stage, to go into the arguments raised by the hon. member who has just preceded me, except to say this in regard to his last remarks during which he said the record of the Liberal administration would speak for itself. Well, we are very content to let the record stand, and it will show that during that period secondary industries developed spectacularly in this country under the great industrial leadership of Right Hon. C. D. Howe, and developed without the sacrifice of our export industries, which increased steadily and continually during that period. If the record of the present government were comparable in any respect to that we would not be supporting this amendment today.

[Mr. Kucherepa.]

This amendment speaks for itself, and the attitude taken toward it by spokesmen on the government side speaks for itself. That attitude, as taken in this debate, makes it quite clear that the government will have nothing to do with the development of what is referred to in this amendment as an Atlantic economic community, which is the hope of the future for the Atlantic countries; an Atlantic economic community with a minimum of obstructions and restrictions and a maximum of exchange among its members.

This is a serious amendment dealing with a very important and serious subject. Unfortunately, for reasons which the minister will appreciate, I was not in the house yesterday to listen to the Minister of Trade and Commerce. I might have been in the house Monday of last week to listen to him but he could not have been here then, so we made a mutually agreeable arrangement, or I believe it was mutually agreeable.

Mr. Chevrier: You missed a flamboyant speech.

Mr. Pearson: I have had the privilege, although some would consider it a dubious one, of reading the minister's speech. In so far as it seemed to be concerned with a carefully thought out argument and memorandum on certain trade matters it was perhaps not unimpressive, even though we may not have agreed with it; but when the minister got out on his own, out of the field of trade and into polemics he was not very impressive. He indicated that this particular amendment was designed, if it had any purpose at all, to lay down a policy which would provide for jobs, as he put it, in Birmingham, Turin, Toledo and Detroit, at the expense of jobs in Canada. The producers of newsprint, lumber and agricultural products, and of fish and other primary products, know perfectly well, as the minister ought to know, that if there are not jobs in Turin, Birmingham, Detroit and Toledo there will not be jobs in Canada.

Embodied in this amendment is the policy of having jobs both abroad and in Canada; we will have more jobs in Canada because there are jobs and purchasing power abroad. The minister himself, who sometimes speaks from both sides of his mouth on this matter in a manner which I know he will forgive me if I characterize as rather immature and unsophisticated, said in this house as late as April 18, quoting from a speech he made in Toronto on February 7, 1961:

> Some people say the government should give greater protection to industry by raising tariffs against imports. Those who make this suggestion should realize that those against whom they would

have us raise tariffs are also our customers for the exports on which we rely so heavily for our economic well-being.

Whether they are in Turin, Birmingham, Toledo or Detroit they are also our customers for exports on which we rely so heavily for our economic well-being. The minister also said in the same speech:

They must also realize that one out of every four Canadians is employed in either producing for, or shipping to, the export market.

One out of every four Canadians, according to the minister, is employed in either producing for or shipping to the export market. The minister said yesterday that the policy of his government is full employment. If that is it, then they have failed to carry out that policy when there are 705,000 or more unemployed. If full employment is the policy of the government it will not be accomplished by rejecting motions for the removal of obstructions to trade and encouragement of the expansion of trade because, as the minister puts it, one out of every four people in this country depends on exports for his livelihood.

Then the minister descended from what I have characterized as immaturity to what I can only characterize, and I know he will understand if I try to find another word to describe that which is even more superficial than immature, as drivel, when he had the following to say, as reported at page 3949 of *Hansard* for April 24, 1961:

They—

That is the Liberal party.

—want them—

That is the foreigners on whom we are relying for exports.

—to pour cheap goods into Canada to put Canadians out of work and to have mass unemployment, so that they can go to the people at the next election and say "Elect us and we will save you from your doom".

That statement of the purposes and motives of the Liberal party is what I characterize in this particular argument as drivel; which, of course, is what it is.

This particular amendment deals primarily with external trade. I intend to consider certain aspects of the amendment, some of which were discussed by the hon. gentleman who preceded me. I refer to those aspects which concern the possibilities of meeting some of our external trade problems in the world in which we live today by building up, as the only satisfactory solution to these problems, however it may be misunderstood or mischaracterized by hon. gentlemen opposite, an Atlantic trade area with maximum trade and minimum restrictions.

Alleged Lack of Trade Policy

The situation has changed drastically in the world, in our country and on this continent since 1911, the days of reciprocity, to which the Minister of Trade and Commerce seems to relate our policies of today on external trade. That is an indication of how unable or unwilling he has been to grasp and understand what we are putting forward. It would be very wrong, unwise and indeed harmful for us to think in this country of trade problems, trade opportunities and trade circumstances in the light of 1911. Trade barriers, trade obstructions and indeed the whole concept of free trade itself should not be thought of in terms of 50 years ago, when tariffs were about the only thing that really mattered in this field.

The situation is very different now. Since those relatively simple days of external trade there have been growing up over the years government monopolies on trade, government control, government quotas, exchange reductions, exchange regulations, control by administrative regulations, and control by deals within integrated international corporations. All these things, or indeed any one or two of them, could be as important today to trade, if not at times more important, than tariff levels themselves.

Since world war II considerable progress has been made in removing some of those obstructions. As the minister knows, they have been gradually removed as Europe recovered from world war II and was able to stand on its feet and look after itself in the realm of international trade. This removal was pretty steady and satisfactory in Europe over the years so far as it went. As a consequence our trade with Europe has increased.

Let us not forget that this removal was largely due to help received from overseas. In terms of income no country, not even the United States, supplied as great an amount of help for that purpose, for an enlightened self-interest purpose, as Canada itself. Our record is very good in this field, as I would point out to the hon. gentleman who just preceded me. This is true of our record both in regard to trade, in regard to tariff policy itself, and in regard to association with O.E.E.C.

We were criticized a few moments ago because in 1948, when O.E.E.C. was set up, we did not take advantage of the opportunity to join it and it remained for the present government to convert O.E.E.C. into O.E.C.D.; then to become a full member. If my hon. friend who was dealing with this matter had done more research he would have known perfectly well that in 1948 it was quite impossible for Canada to become a member of a strictly European organization and which we desired at that time to remain a European

organization. It was only after Europe recovered over the years and got a stronger foundation for its economy that it was possible to convert it into the organization we have today.

Mr. Martin (Essex East): And the United States was not a member.

Mr. Pearson: And, of course, the United States was not a member at that time. We both were observers during those years. If an offer had been made—and certainly suggestions were made during those years—of full membership it would not have been possible to accept it.

There has been progress on this international front but that progress has been, I think, if not slowing down in recent years, replaced by the development in the world of regional organizations. We know all about them. We talk a good deal about them in this house. Of course the most important of those regional developments is one that we sometimes think of only in terms of politics. The most important is the communist ideological and trade region which is centrally controlled and directed from Moscow at this time, with perhaps some assistance or competition from Peking. There is central control of trade within this bloc. This is one of the reasons we should be more interested now than ever in an Atlantic trading community. Control of trade within this communist bloc is exercised for the benefit of the Soviet union. If any member in this house wants some interesting information on this score let him read the history of Yugoslavia during the period when Yugoslavia was trying to break away from the international communist trading bloc.

Control of competition within the bloc is exercised by Moscow as well as control of communist penetration in noncommunist countries. This is done as much for political as for economic reasons. Indeed, this whole question is a sector of the cold war. If the communist regional trading bloc wishes to send MIG's to Cuba they will accept sugar for those aircraft, but only on their own terms; and those terms will be dictated, when it is necessary, by political rather than economic considerations.

Well, this is one trading bloc we have to take into consideration when we consider this subject. Others are the trading blocs growing up in Latin America, especially in the Central American region. These may be more important in the future than they are at the present time. But what we have in our minds, particularly when we talk about trading blocs, is European trading blocs. They have been referred to previously in this debate.

Ten years ago the European common market was considered a quite unrealistic dream. It is now a going concern, a reality, and it is making startling progress to the point where all trade obstructions will soon be removed, every kind of trade obstruction, among the members of this community. This is being done in a very successful way, partly —and this has a very important bearing on our own problem and the problem of the Atlantic trading development—because it is being done gradually stage by stage. European development is facing exactly the same kind of problem that we would be facing in this country and in other countries of the Atlantic area if we were trying to build up an Atlantic economic community. Five or six years ago some of these problems were considered almost insoluble by the members of the European economic community. I am thinking of the preferential arrangements for overseas suppliers, and of the problem of agricultural imports both within the community and between the countries of the community and outside. I am thinking of capital development programs and the necessity for adjusting special situations to the reduction and the removal of tariffs.

The European countries faced those problems. They were certainly problems. Their difficulties were just as great and just as far reaching as the problems we would be facing in the Atlantic community if we had initiated and were successful in bringing about that wider kind of development. The European countries have been successful up to the present. They are taking their time; it is a 10 or 15 year process. In the period that has elapsed since they began this process the trade increases within the boundaries of the countries inside that community have been absolutely spectacular.

We should not forget also that in this development, up to the present at least, consideration has been shown to the interests of countries outside the community. In spite of some statements by ministers about the dangers from this development, it would seem that those dangers have been taken into consideration by the members of the European community themselves. If we do a little less preaching and a little less whining and make an effort to adjust ourselves and associate ourselves with this development, we shall get further in regard to protection of our own trade.

In that regard I am thinking, for instance, of the statement of the Minister of Trade and Commerce in Paris. This was his entry into the international economic lists as Minister of Trade and Commerce. He went to Paris last December and he is reported as having

said, in regard to this development which I have just talked about, namely the European common market:

> Unless the European common market substantially reduces its announced tariff schedules affecting imports from Canada at the GATT negotiations in progress in Geneva, Canada will retaliate by increasing its barriers against imports from the six European countries.

Could there have possibly been a more untimely and unwise statement; that unless the European economic community reduced its tariffs against Canadian imports, Canada would retaliate? Well, the European economic community did not fall for that kind of bluff, as we know. But up to the present at least it has taken into consideration the interest of outside countries. Indeed, the first tariff reduction inside the community was extended to all outside countries.

This development of the European economic community which is of such great importance to us that it has been paralleled by the development of the European free trade area. All those other European countries which had not been willing or able to join the common market have formed a free trade area of their own, and in that regional association we have our most important customer next to the United States, namely the United Kingdom. But the United Kingdom in the free trade area has made it quite clear and there is no use of our whining or preaching about it, that it is going to move across the channel and, if it can, make arangements for association with the European common market.

It is very important, of course, for Canada to protect her position to the maximum possible extent in the face of these developments. Naturally we have to do that. Naturally we have to take every step we can to persuade the European countries that this coming together, which is desirable, should be on a basis of expanding trade with the outside world rather than restricting trade. But surely we can do that, as I hope to point out, by adopting a positive rather than that negative kind of attitude which has been adopted more than once by the Minister of Finance and the Minister of Trade and Commerce.

Mr. Chevrier: Particularly by the Minister of Finance.

Mr. Pearson: The speech of the Minister of Finance at Ste. Adele is the one that is always very much not only in our minds but in the minds of commentators on this continent and in Europe. Surely, Mr. Speaker, the positive approach to this problem is that the closer Europe gets together politically and economically the better it will be for the free world, including Canada. This can be done, Mr. Speaker, and I hope it will be done, by the European countries without disregarding the interests of their friends or their own wider interests. I am thinking, of course, particularly of our commonwealth of nations.

This common market, scoffed at as a Utopian dream 10 years ago, is now, as I said, a growing concern, and the members of the European free trade area are increasingly moving toward integration with it. That trend is now clear, and no words by members of the government inside or outside the house, in Paris or Ste. Adele, are likely to stop that trend.

Mr. Macmillan made this perfectly clear during his recent visit to Ottawa and Washington, just as the United Kingdom lord privy seal, Mr. Heath, made it clear two or three months ago, I believe, in Geneva. The United Kingdom is moving across the channel and seeking a basis for membership in the common market. It now feels, according to its spokesmen, that for this purpose satisfactory solutions can be found for the three important problems standing in the way; and if they can be found for these problems affecting the United Kingdom, solutions can also be found in the wider area of Atlantic trade for the problems affecting the United States and ourselves. These three important problems are commonwealth preferences, agricultural imports and political sovereignty.

Canada, the Canadian government, in fact any Canadian government, should face this fact and face it as an opportunity to be exploited rather than a menace to be prevented or a development to be complained about. Certainly the President of the United States has faced it and has accepted the development. He said on February 16 that he welcomed the move, and I quote from his statement at that time:

> We shall support and encourage the movement toward European integration.

Then he added these important words with reference to European integration:

> It can contribute greatly to meeting the goals of the broader Atlantic community.

Indeed, our own Prime Minister in earlier days has talked along these lines of the development of the broader Atlantic community. The vice president of the United States, in a very carefully prepared and considered statement in Paris on April 6, had this to say:

> If that cohesion and capacity—

Of the Atlantic coalition.

> —is to be enhanced, vigorous measures will be required in the political, military and economic fields. Our end goal . . . should be a true Atlantic community in which common institutions will increasingly be developed to meet common problems.

Alleged Lack of Trade Policy

The Prime Minister of the United Kingdom in his recent visit confirmed that this is the position of the United Kingdom also, when he said at Boston:

> I have no doubt of what our aim should be. We ought to try to work for the largest area of free trade that we can create.

This is the Prime Minister of the United Kingdom. He went on to say:

> Free trade for a free world. That may still be a vision. It may be a long time before it can take practical shape ... Yet many new and vital ideas are now being discussed by practical men which a few years ago would have been dismissed as impractical dreams.

Then he went on to say that one "new and vital" idea he had in mind was an Atlantic trading area. He invited Canada, the commonwealth and the United States to assist and encourage, rather than to shy away from and discourage, that development. The lord privy seal in his speech last February was even more specific in a special point which is always brought up by those who are hesitant about or opposed to this development. They talk about commonwealth preferences, and we know the importance of commonwealth preferences in our development over the years. But we also know that commonwealth preferences are a very different thing now from what they were 15, 20 or 25 years ago. Certainly that is the way they are now conconsidered in the United Kingdom. I know that the Minister of Finance has expressed some very strong views about the retention of commonwealth preferences, but this is what the lord privy seal of the United Kingdom said about them on February 27 last:

> Britain would have no objection to a reduction of the preferences that her exports enjoy in commonwealth markets if the Six wanted to start negotiations with the commonwealth to that end.

I suggest, Mr. Speaker, that Canada should be in the very forefront in starting such negotiations rather than hindering them. We should encourage European economic as well as political integration on a basis of expanded, not restricted, trade, and then we should do everything we can to convert that European economic community into an Atlantic trading area with which, stage by stage, other free countries could be associated.

There are only four courses open to us, Mr. Speaker. I have already put them on the record of the House of Commons, and I hope the house will forgive me if I put them on the record very briefly again today, because they have certainly been pointed up by developments since I last spoke on the subject.

The first of these policies is to work for the maximum of economic self-sufficiency, that is economic nationalism, the kind of economic nationalism we had from 1930 to 1935 under the late Right Hon. R. B. Bennett. This might have some tempting short run attractions, especially in a time of recession. In spite of the words of the Minister of Trade and Commerce it seems to have some tempting short run attractions for him, when he talks about creating jobs for people in Turin and not for people in Canada. Presumably we should take action which would prevent those people obtaining jobs, so there can be more jobs in Canada.

Surely, Mr. Speaker, the lessons of contemporary history and contemporary politics show that you cannot export unemployment in that way. When we have 705,000 men out of work at this time perhaps it is tempting to say, "Let us keep these goods out and we will put all these people to work". But that is running counter to the whole trend and development of contemporary international economic policy. We know now or we ought to know that we cannot export unemployment in this way, and that if we try to do so we will add to unemployment instead of reducing it. That is why we on this side are opposed to that solution. There is no salvation here.

The second possible alternative policy is economic integration with the United States in a continental free trade area. That was well put forward not very long ago in Toronto by a very distinguished American, Mr. McElroy, a man with a great deal of governmental and business experience. It may be, although I hope it will not be, that under certain circumstances we will be forced to consider that solution. If there is, and I hope there will never be, economic disintegration within the commonwealth; or if the European countries come together in a European area which excludes us or from which we on this continent have excluded ourselves, and if the procedures under GATT begin to slow down and eventually break up, then we will be forced to consider continental solutions to our problems.

Surely, Mr. Speaker, that should be a last resort for one reason especially, namely how could we keep our separate political identity in such a situation? When the Minister of Trade and Commerce says, as he said in this house yesterday, that the proposal we are putting forward in this amendment and the proposals we have put forward outside this house—he quoted me in that connection—mean that we are supporting free trade or a commercial union with the United States, he shows he has no understanding whatever of what we mean when we talk about the development of an Atlantic economic community. This has no bearing whatever on 1911 or reciprocity. I suggest the minister

do a little reading and thinking on this subject. Perhaps if he would not spend so much time cheerleading and shouting slogans he might retire for a change, as it has been put, into the lonely recesses of thought.

Mr. Martin (Essex East): And contemplation.

Mr. Pearson: Contemplation might be a little bit too much to expect.

Now, the third alternative is a policy of continued reliance on GATT as the international agency for broadening the area of freer trade throughout the world. As I have said, since the war GATT has undoubtedly been the major agency for the reduction of obstructions to trade. I think the previous Canadian government and the present Canadian government have done everything possible to continue that process under GATT. I think Canada has played a very good part in GATT. However, we cannot help but ask ourselves whether GATT can do much more in this direction, and whether we should not, at least as something complementary to GATT rather than opposed to GATT, take a hard look at regional development. Perhaps the current discussions which I believe open next week on GATT, in which the European common market will take part, will give us the answer to the question of whether GATT is the agency on which we have to rely for further real progress in this international economic field. In my view a new impetus is now required, and that can be given without contradiction to GATT by the Atlantic countries themselves.

This, Mr. Speaker, brings me to the fourth and best alternative. I refer to the careful, steady, stage by stage building up of an Atlantic economic community. This is not going to be done in a week or a month or a year. It is going to take a long time. During the process of development the same steps will have to be taken to protect industries that are immediately affected by these developments as are being taken successfully in Europe today in respect of industries which have been affected by the European common market. This can be done, and it should be done, over a period of five, 10 or 15 years. This process of adjustment can take place and the government, by its action and by its assistance, can participate in that program so that international economic progress will not be at the expense, in so far as it can be avoided, of individual national industries. This is what I mean, what we mean on this side, when we advocate the development of an Atlantic trading community.

I know all the difficulties in the way. I have mentioned them many times in this house. But I do not believe, Mr. Speaker, that there is any other solution to our international economic and perhaps our international political difficulties. There is no solution which will be big enough and deep enough other than the one I have just mentioned. The important thing now is to get this process started.

This is a matter of political will more than economic argument. This government had a wonderful opportunity to begin that process in 1957 when the United Kingdom made an offer of free trade between the two countries, about which we used to hear so much and about which there has been a great deal of silence lately. Even as late as 1958 the Prime Minister of the United Kingdom said, while in this country, that offer was still on the table. It is not on the table any longer; it has been brushed under the rug.

But that was the time when we in this country could have started this process. We could have said to the United Kingdom that immediate free trade between ourselves is impractical and free trade among the Atlantic countries at the present time is impractical, but the two of us can start at once to discuss the building up of an Atlantic free trade community in association with those regional developments which are now taking place in Europe.

Who knows, Mr. Speaker, what might have happened during the intervening three years if that had been the stand taken by the goverment at that time? It is not too late now, but it may soon be too late if the European common market completes its development, and the introduction into it of the European free trade area is successful. It may be too late to bring about conditions for a wider common market if no action is taken on this side of the Atlantic. We on this side, even at this stage, ask the government of this country to take an initiative in this regard and show some of the vision now about which they talked so much three or four years ago.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, those who have been in the house this afternoon have listened to a repeat performance of the speech delivered yesterday by the Leader of the Opposition in Toronto. I think we will agree it has not improved with repetition. However, those who sat in the house yesterday to hear the speech of the hon. member for Laurier in introducing his amendment heard a speech which has few equals in the house as a compound of misrepresentation and distortion of the government's position and record.

If the opposition wishes to put forward a policy and wishes to praise the policy it puts

forward, no one can take exception to that course, although we will reserve the right to reply to it. Evidently, however, it is necessary, when the hon. member for Laurier puts forward a position on behalf of the official opposition, to take account of the weaknesses and frailties of the case he is putting forward, because he grossly misrepresented and distorted the government's position and its record. He put up straw men yesterday, Mr. Speaker, which bore no resemblance to the government's positions; and he proceeded then, following typical Liberal tactics, to talk out of both sides of his mouth at the same time and to utter contradictory statements.

In so far as there is time today I shall endeavour to put the facts concerning the government's record and the government's position before the house in contradistinction to what the hon. member for Laurier put forward yesterday. I shall deal with the subject discussed by the Leader of the Opposition, and I shall measure what these hon. gentlemen have said against the record of the Liberal party in this regard.

The amendment, Mr. Speaker, invites the house to express condemnation of the government because it says the government has not followed a consistent policy. Mr. Speaker, I say to you that the government has followed, in relation to trade and our international financial policies, a vigorous, dynamic, consistent, forward-looking, balanced program of action.

The amendment does violence to the truth. I endeavoured to state the aims of the policy of the government in relation to trade in 1958 in the first budget speech, and I put it in these terms:

> First, to achieve expansion, diversification, better balance and greater stability in our trade with all countries.
>
> Second, to extend and strengthen Canada's trade and economic relations with the commonwealth.
>
> Third, to support and promote a regime of law, order and morality in the field of international trade; to respect the spirit and intent of international commitments and to stand ready to defend our rights and interests if they are challenged or ignored.
>
> Fourth, to recognize the legitimate needs of Canadian procedures; and to safeguard them against unfair trading practices.
>
> Fifth, to promote the balanced growth of all sectors of Canadian industry and agriculture.

That was the declared policy of this government in 1958. That is the declared policy of this government today, and it is a policy that the government has consistently followed throughout.

In keeping with this policy we have endeavoured to assist Canadian exporters to extend their markets and win new markets abroad. Gratifying successes have been gained in our efforts to secure the elimination of discriminatory trade barriers erected against imports from dollar countries after the war, and in promoting the convertibility of sterling and other major world currencies. Within the past two and a half years sterling and other European currencies became convertible and the great majority of discriminatory restrictions against dollar imports have been eliminated. Canadian exporters are now finding readier access to world markets than at any time since the war. To these highly beneficial developments I say that the efforts and the policies of the present government have made an effective and commendable contribution.

Let us think back to 1957 and the situation to which this government fell heir when hon. gentlemen opposite and a good many others left the treasury benches for all time. First, Canada in those days had an adverse balance of trade on commodity account of nearly $1 billion. In 1960 that adverse balance had been reduced to $100 million. Today we have a better balance and a better diversification in our markets throughout the world. These are substantial improvements.

Our trade with the United Kingdom has increased very materially. Our trade with the commonwealth has increased; our trade with Japan has increased. Those restrictions which had been imposed in the war and post-war years by many countries for balance of payments reasons we did our best, by persuasion and in conferences immediately after we came into office, to remove. Substantial progress has been made in that regard and very great consequent advantages to Canadian exporters have been achieved.

The international monetary fund was in existence, but with general support on the part of member countries, including strong support from Canada, the resources of that beneficent institution have been substantially enlarged.

The same is true of the resources of the international bank for reconstruction and development. An international development agency has been born out of the international bank for reconstruction and development, with a capital of $1 billion. This is an institution to which Canada gave important support in the international proceedings which preceded its birth.

As to GATT, this organization has unquestionably been strengthened by the support that has been given to it in the four years since the change of government.

In relation to the customs tariff of this country, studies have continued and adjustments have been made in it following references to the tariff board, in all cases in accordance with the letter as well as the spirit of GATT.

There have been many conferences designed to promote an expansion of trade. There have been conferences within the commonwealth. The first of them was held here in Canada at the end of September, 1957. This was the first time the finance ministers of the commonwealth had met in Canada, and important decisions flowed from that conference.

The monumental commonwealth trade and economic conference held in Montreal in October, 1958, achieved a large measure of agreement among all the commonwealth countries, notwithstanding the diversity of their interests. That, I think, was an eye-opener to the whole world.

It has since been followed by very beneficial results throughout the commonwealth. The system of commonwealth preferences has been upheld and the benefits that Canada enjoys in that regard—for which much is owed to the foresight of the late R. B. Bennett —have been strengthened and Canadian producers have enjoyed those benefits.

Then, Mr. Speaker, we come to more recent events. We have had many conferences with the United States. There have been bilateral conferences at which problems in the trade and economic field have been discussed in a spirit of mutual understanding. Benefits have flowed from those meetings.

Then there is the organization for economic co-operation and development which was born in 1960 out of O.E.E.C. There was no point in the speech made yesterday by the hon. member for Laurier (Mr. Chevrier) in which he did greater violence to the truth, unless it was the speech made yesterday evening by the hon. member for Richelieu-Vercheres (Mr. Cardin) which so completely misrepresented the position of this government in relation to O.E.C.D. If there is any government among the 20 member nations of O.E.C.D. that played a strong supporting role in bringing about the transformation of O.E.E.C. into O.E.C.D., it is the present government of Canada.

There were no such things as export credit institutions when we came into office. There are now facilities available to Canadian exporters of capital goods to find credit in Canada to assist in their export operations. Never before in Canada's history had there been an export conference like the one called by my colleague, the Minister of Trade and Commerce (Mr. Hees), last autumn. This was something new; this was breaking new ground. Evidently it had never occurred to those who today occupy the front opposition benches yonder.

Behind the effort to maintain and extend Canada's markets there has been invested more drive and more vigour under the present government than ever existed previously. Benefits have accrued to all Canadian producers and exporters.

When we came into office the premium on the Canadian dollar in that summer of 1957 rose to six cents, and this placed a very heavy burden upon Canadian exporters. It is a very difficult problem; it is a hard thing to move; but we have done our best and we are not at all displeased that this premium has now been reduced to about one cent, with very great consequent advantage to Canadian exporters.

Hon. members opposite talk about flexibility. Well, they did not show much flexibility except in the way they handled the truth in this debate. We have shown at all times a consistent and dynamic approach to trade questions and a full realization of the importance of maintaining and expanding Canada's markets abroad.

This is not simply a short range policy; this is our continuing, consistent and long range policy. We have pursued it diligently and consistently. We have always shown ourselves ready to talk trade. There have been many bilateral discussions. There have been many missions. These have all had as their objective, and many of them have resulted in, the maintenance and expansion of trade.

We heard something said yesterday about GATT. We heard some very distorted remarks about GATT. I have said in previous debates —and I shall not delay this debate to repeat such remarks today—that this government has given consistent support, not merely to the institution of GATT, not simply to the terms of the GATT agreement, but to the spirit of GATT.

We have observed that at all times it is a great mistake to think that GATT is an inflexible instrument. It is not. GATT could not have survived if it had been utterly inflexible. GATT does make provision for amendment; it does make provision for the fact that circumstances may change in a dynamic world trading community, and it makes provision for changes according to certain procedures. Where such changes have been sought by the Canadian government they have at all times been sought in accordance with the procedures laid down in GATT. Never has there been a departure from the provisions of GATT. As to all the proposals we have submitted to the house in three annual budgets in relation to tariff changes, most of these have been preceded by very thorough investigation and study on references to the tariff board. So let us have an end to this nonsense about casting doubt, as the hon. member for Laurier did yesterday, on the sincerity of members of the government in their support of GATT.

Alleged Lack of Trade Policy

The principle of GATT is the principle of multilateral trade which seems to have lost its interest for the Leader of the Opposition (Mr. Pearson). The Liberal party now is evidently turning its back—it has at least turned its shoulder—against GATT. It has lost interest. Let me tell the Leader of the Opposition that it was the present Canadian government, through its representatives, which insisted at the discussions in Paris, the three conferences which led up to the formation of O.E.C.D., on the preservation of the principle of multilateralism as laid down in GATT. It was due as much to our efforts as to those of any other country that GATT was called in and was represented at those conferences.

We heard yesterday from the hon. member for Laurier some flights in the realm of fiction with regard to the government's position in reference to tariffs. The hon. member talked about high protectionism. Evidently he does not know what high protectionism is, or he prefers to talk in fictional terms. I shall not delay the house by repeating what I have said before, that this charge is baseless. This charge which has been made by the official opposition in the amendment in this regard is false. I hope I have made my meaning clear. Whatever we have done has been done in accordance with GATT and in accordance with suggestions and reports by the tariff board. While I do not say this is the final and only test, it is relevant to point out that out of 392 items changed in the Canadian tariff by the present government in the course of three budgets, formal changes of mixed character number 203, increases number 65 and decreases number 124. I despair of an end ever coming to the misrepresentations of the government's position to which hon. members opposite have turned.

In 1958, I recall—and we were reminded of it yesterday by the hon. member for Laurier—there was a modest tariff change introduced following the report of the tariff board in the customs duty on woollen fabrics. One would have thought, Mr. Speaker, to listen to the hon. member for Bonavista-Twillingate (Mr. Pickersgill) that the end of all creation had come—that we were going to be visited with retaliation by any number of countries. Well, the house has learned long since to realize that the hon. gentleman excels in this kind of matinee performance.

But one expected something more serious of the hon. member for Laurier. Certainly he has gone a long way since he left Cornwall, or since Cornwall left him. Gone is his interest in seeking some measure for a decent chance of survival for the textile industry. Yesterday he returned to the Bonavista-Twillingate line of 1958 and talked about the legislation of that year, the amendment to the Customs Act. He misrepresented it yesterday and said the government took power to make arbitrary changes in the tariff rates. The government did not do any such thing. Amendments were introduced to see to it that power was given to prevent the dumping of goods from abroad into this country at prices below the cost of production. This is the kind of unfair competition which hon. members opposite expect Canadian producers and Canadian workmen to face. What do they care?

Mr. Chevrier: May I ask the minister a question?

Mr. Fleming (Eglinton): I shall have to ask the hon. member to reserve his question until I have finished. I shall be glad to deal with it then, but time is precious and limited today.

The hon. member for Bonavista-Twillingate told us at that time we were going to face retaliation from Italy. What happened? Our exports to Italy rose substantially in the following year. So much for the hon. member for Bonavista-Twillingate. He was so worried about the export of codfish to Italy. He sees a codfish behind every shadow. Well, our export of codfish increased, too, so the hon. gentleman was running true to form. The fact is that this legislation well served its purpose; so well, indeed, that it was not necessary to pass orders in council enabling the minister to make orders under it. Foreign exporters knew very well what they would face if they attempted to dump goods on the Canadian market at less than the cost of production and governed themselves accordingly. That is why it was not necessary to make orders under that legislation. This enactment served a salutary purpose.

The hon. member for Laurier yesterday talked about the government following a policy of timid protectionism. At that time I asked him the simple question whether he thought the 1958 legislation was worthy of support or not. He has not seen fit to answer that question, yet he talks about timidity. He ran, and he has not stopped running yet. He roared yesterday like a mouse.

Let me pass on now to say, in relation to the tariffs and to GATT, that we are engaged in the discussions at Geneva at the present time which were detailed yesterday by my colleague the Minister of Trade and Commerce (Mr. Hees). Some hon. members opposite still do not know the nature of discussions up to the present time, and these proceedings have been more protracted than was expected. The discussions so far have been concerned largely with working out with the six members of the European economic community an agreement in relation to their common external tariffs. Now, at Geneva, the

countries represented are about to engage in what has become known as the Dillon round of negotiations. These are the negotiations in which an effort is made to negotiate further mutual concessions. This is an entirely different operation. May I say this: what has been said here by the ministers in relation to what has been going on at Geneva has had a salutary effect.

The hon. member for Laurier yesterday asserted that if the Minister of Finance was sincere in saying he was a strong supporter of trade on a multilateral basis, "the Canadian delegates at Geneva must surely have presented concrete and bold proposals for freer trade in the world." He was referring to the Geneva meetings but he evidently does not know that these negotiations have not even begun yet. His timing is away off. But that is not all. His statement totally misrepresents what has been going on at Geneva, and I could add much more to that if there were time.

I am concerned about the Liberal flight from GATT, for they have evidently decided to desert the ship. The hon. member for Laurier took some satisfaction yesterday in quoting the speech made by the Leader of the Opposition in Vancouver in January, 1958, when he said:

> In short, it seems that the era of gradual tariff reductions through GATT has come to an end.

Well, things have not come to an end just because he has ceased to be a minister of the crown. Then, in Toronto, last night, in a preview of the speech he made here this afternoon, the hon. gentleman is reported in the Ottawa *Citizen* as follows:

> Mr. Pearson questioned whether GATT could do much more than it has done already.

If the hon. gentleman wants to fold his hands and say "all is up" let him do so. That attitude of resignation, that attitude of inaction, is one that he has inherited typically from the government of which he was a member. That is not the attitude that this government takes. This government proposes to make its loyal contribution to this beneficent international organization in the manner in which it has for the past four years.

Then they quoted the Ste. Adele speech. I feel flattered, but they did not seem to quote enough of it. They picked out bits here and there and then proceeded to put their own fancy interpretation upon them. Let me put a couple of facts straight for their instruction. In the first place that speech I made at Ste. Adele last autumn brought substantial benefit and assistance to our negotiators at Geneva in the negotiations in which they were then engaged.

Mr. Pickersgill: They had not started yet.

Mr. Fleming (Eglinton): That speech assisted negotiators at Geneva.

Mr. Chevrier: They had not started yet.

Mr. Fleming (Eglinton): Mr. Speaker, they are all mixed up, the poor fellows. I pointed out that the earlier negotiations were the first round of negotiations at Geneva to work out agreement in respect of the new common external tariff with the European economic community, and that is where it was established.

That is what this Ste. Adele speech was designed to deal with. The hon. gentlemen opposite—perhaps I should not call them poor fellows, but I have a soft heart—did not realize that was the nature of the first round of negotiations last year. I may say that the declaration at Ste. Adele did help to strengthen the hands of the Canadian negotiators at Geneva in the first round of tariff negotiations there with the representatives of the six countries constituting the European community.

I must now pass quickly over some other subjects. First of all, in relation to our trade with the United States, I say that we are achieving a better balance. We were concerned that so much of Canada's trade was in one basket when we rame into office. We have been able to move some distance, not by trying to restrict trade in any direction, but by trying to expand trade. The expansion of trade has shown itself in striking form in our trade with the United Kingdom, the commonwealth, Japan and many other areas in the world. My colleague, the Minister of Trade and Commerce last night drew attention to the extraordinary increase in our trade with the United Kingdom in the past year, which reached an all-time record for Canadian exports to the United Kingdom. We take a good deal of satisfaction in this and congratulate all those enterprising Canadian exporters who took advantage of the opportunities that were opened up in the market, at least partly as a result of the negotiations carried on by the present Canadian government.

These conferences that I have referred to produced very beneficial results. I shall not deal with that aspect. I think I should, however, say a word on the subject of preferences because the Minister of Finance has a responsibility in relation to Canadian imports and to the Canadian tariff. The policy of this government has been at all times to seek the full enjoyment for Canadian producers, and particularly for Canadian agricultural producers, of all the benefits available to them under commonwealth preferences. These are very important benefits.

Alleged Lack of Trade Policy

So far as our trade with the United Kingdom is concerned, here are some facts that I invite hon. members opposite to ponder. First, about 95 per cent of Canadian exports to the United Kingdom enter that market duty free. Forty per cent of Canadian exports to the United Kingdom enjoy the benefit of preferences. For most of these, but not all, the preferential rate is free. Of our total exports to the United Kingdom in 1959, 39 per cent were primary industrial materials free of duty from all sources. That is to say, there was no preference. Forty one per cent were agricultural products. The largest agricultural item, wheat, does not enjoy preference. Oil seeds, coarse grains and tobacco are the principal agricultural exports which do enjoy preferences.

On 7 per cent of our exports to the United Kingdom the creation of E.F.T.A. will result in the loss of significant preferential advantage over other E.F.T.A. countries competitive with Canada in the products involved.

At the commonwealth trade and economic conference in 1958 this subject was considered by the representatives of all the commonwealth countries. In the report of the conference, article 28:

> —reaffirmed the importance of the role that preferences have played and continue to play in commonwealth economic relations. Commonwealth countries have continued to adhere to the preferential system while adjusting their policies to the requirements of changes in the scope and character of world trade.

In article 31:

> The United Kingdom government confirmed its intention of maintaining as an important element in the preferential system the free and unrestricted entry of nearly all goods imported from the commonwealth.

We have waited until today to hear the Leader of the Opposition (Mr. Pearson) indicate in his lighthearted and happy-go-lucky way that it does not matter very much about these commonwealth preferences. He has indicated that these advantages are not going to have very much of a place in his thinking from now on. They still have an important place in the thinking of the Canadian government when we realize the advantages that these preferences have offered to Canadian producers and above all, to the Canadian agricultural producers. Hon. members opposite can forget their duties and responsibilities to the Canadian agricultural producer but as far as the present government is concerned it intends to remain faithful to the interests of the Canadian agriculturalists.

I come now to our trade relations with western Europe. These are of very great importance to Canada. Over the years, 30 per cent of our exports have gone to western Europe, including the United Kingdom. We do, with the seven countries, now eight, of E.F.T.A., twice as much business as we do with the six countries of the European economic community. Here again the member for Laurier could not present his case without distorting and misrepresenting the position of the government. He said that the government was opposed to the European common market. I am being charitable to that hon. member when I say to him that he does not know what he is talking about.

At the commonwealth finance ministers' conference at Mont Tremblant in 1957, the ministers reported that they "reviewed the progress made toward the ratification of the treaty of Rome, establishing the European economic community, and the effect of this treaty on the interests of the commonwealth. They noted that the treaty would receive further consideration in international organizations.

The United Kingdom ministers reported on the progress made following the United Kingdom initiative for the establishment of a free trade area in Europe. The commonwealth ministers recognized that the establishment of an outward-looking free trade area in Europe would broaden the advantages to be derived from economic integration in Europe, not only by the United Kingdom but by all other participants. This was regarded as important as it could contribute to agreed commonwealth policies of expanding world trade.

It was also agreed that there is need for effective machinery for continuous consultation among commonwealth countries on matters related to the European economic community and the proposed free trade area.

The United Kingdom ministers reaffirmed the undertakings previously given by their government about the safeguarding of commonwealth interests in the United Kingdom market for foodstuffs, drink and tobacco."

That was the position in 1957. The commonwealth countries expressed their concern over any movement at that time of the 14 countries toward the formation of a European free trade area and suggested that care should be taken not to prejudice the interests of the commonwealth countries in relation to their exports of agricultural products to the United Kingdom market.

The United Kingdom ministers gave assurance that they would not prejudice these markets in their negotiations with a view to bringing about that European free trade area. Things went forward on that basis until December, 1958 when efforts to bring about this wider European free trade area came to nought at the meeting in Paris.

It is not for us to apportion responsibility for the failure of that effort. The fact is that the effort to form a European free trade area

was made under the terms upon which it had been discussed at these commonwealth meetings, and had been harmonized with the interests of the commonwealth countries. In the face of those assurances as to the position of the Canadian exporters in the market of the United Kingdom, we had no fear.

What happened in 1959? We saw a widening of the rift between the Six and the Seven in Europe, and we expressed concern, as one of the member nations of NATO, that there should be developing in Europe an economic rift, and this was a matter for deep concern. When the hon. member for Laurier said yesterday that we were opposed to the European common market, Mr. Speaker, he did violence to the truth. Our concern at all times was that in any move in the developing trade pattern of organizations in Europe the interest of the commonwealth, and particularly of our own Canadian producers, for whose interest we are responsible, should not be prejudiced thereby. We saw opportunities there for the development of that organizational pattern in Europe without working prejudice to the opportunities enjoyed by Canadian producers either in the markets of the United Kingdom or in the markets of those European countries, as long as the policies and attitudes of those countries were outward looking and not inward looking. The great concern has been that in the development within the European economic community—perhaps in the other organization as well—outward looking policies may be supplanted by inward looking policies, and while reducing the barriers to trade among themselves, they might at the same time erect higher barriers around the perimeter. This has been our concern and any Canadian government worthy of its trust would, Mr. Speaker, in a situation of this kind, do what the present Canadian government has done. It would be vigilant; it would go to every meeting that was called for this purpose, and it would put the interests of the Canadian producers before the conference and in a spirit of reasonableness at all times, not the spirit of retaliation that hon. members opposite so mistakenly and misleadingly talk about, seek to bring about a harmonization of interest that will do justice to and safeguard the interests of Canadian producers. That is our responsibility and our trust and we will fulfil it.

What about the moves of the United Kingdom in the direction of a common market? Well, Mr. Speaker, we are talking about something that is still very tentative; indeed, in some respects, hypothetical, because it is perfectly clear that the government of the United Kingdom is not prepared to join a European economic community on the basis of the treaty of Rome, and so far the government of France has given no indication that it is prepared to consent to any modification of the terms of the treaty of Rome with a view to providing accommodation of the British in the European economic community or with other countries of the European free trade area. So, when we are talking on this subject let hon. members opposite be frank enough not to talk about this as though it were something assured. Let them be frank enough and informed enough to talk about it as though it were what it is, something very tentative, indeed, and hypothetical in many respects.

In this situation, Mr. Speaker, having regard particularly to the assurances that have been given to us by the government of the United Kingdom, that the commonwealth countries will be consulted at all stages, and while it remains the undoubted responsibility of the British government to make its own decision, we shall, of course, having regard to Canada's interest both in the United Kingdom market and in the markets of those European countries, seek to preserve the benefits that we now enjoy while at the same time recognizing the importance of the expansion of those markets and the benefits that will flow to Canada from them.

We have taken no narrow view here, Mr. Speaker. There has been the grossest kind of misrepresentation on this subject as to the position of the government. We never threatened retaliation in the meeting in London last November; we never threatened retaliation in Paris in 1960. These statements are distortions; they are figments of the imagination.

Mr. Pearson: Read the Ottawa *Journal.*

Mr. Fleming (Eglinton): Read the editorial in the Regina *Leader-Post* and in similar Liberal organs. That is the source of the information. I am giving them the needed information; I am telling them for their information, but I suppose it will fall on unhearing ears, that their assertions are quite untrue. I say to you, Mr. Speaker, that I have been at those conferences and never has there been a suggestion of retaliation in my hearing. But we have done our duty in warning those other countries that if a course were taken which had the effect of closing Canadians out of certain markets, then inevitably Canadians, being enterprising people, would be looking for markets elsewhere, and trade being carried on in the world under arrangements which are so often negotiated, undoubtedly large sections of Canadian producers would expect the Canadian government to negotiate favourable terms of entry in other countries, and this is unquestionably

the position in which we find ourselves. We have to take action if that is a possibility and that is why we have been so vigilant in this field.

In my concluding remarks let me say first of all that in so far as O.E.C.D. is concerned, the government takes unlimited satisfaction out of the active part that it played in bringing about the O.E.C.D. Far from hon. members opposite adopting this convention as though it were theirs, let me say to them that the present government throughout has conducted those negotiations and it is not going to be any help to deny to the O.E.C.D. now the use and the prestige that this organization needs when the Leader of the Opposition in effect did invite the countries concerned to sidestep the O.E.C.D. and in effect weaken it.

I have said that our concern at all times is for the maintenance and expansion of Canadian markets; but we do not propose to be parties to any narrow approach of the kind that is proposed by the Leader of the Opposition. The fact is, Mr. Speaker, if he is to be taken as meaning what he has said, what he is in effect proposing to do is to forswear and abandon the principle of multilateral trade for which Canada stands. He is proposing that Canada and the other countries of the North Atlantic area should turn their backs upon trade with countries such as Japan, Australia, New Zealand, Africa and other countries and resort to discriminatory arrangements, resort to more restrictions or, in the Nelson tradition, to keep one eye closed. Our view, Mr. Speaker, is that we want in all respects to see outward looking policies pursued, not restrictionist policies. If the kind of policies that the Leader of the Opposition has talked about were followed, if he means what he says—and I cannot persuade myself that he means to go as far as his words have conveyed to his hearers—it would mean that Canada would be held within the closed area of the North Atlantic, and that would not be good for Canada.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, during the time the Minister of Finance (Mr. Fleming) was speaking I could not help but recall that during the period 1930 to 1935 I frequently had occasion to sit in a very different part of this chamber. In those days the policy of the then prime minister, the Right Honourable R. B. Bennett, was to blast his way into the markets of the world. Well, today, the policy of the present government has been clearly set out by the Minister of Finance. It is to bluster its way into the markets of Europe.

Mr. Pearson: Bluster, rave and misrepresent.

[Mr. Fleming (Eglinton).]

Mr. McIlraith: The extent of the misrepresentation of the Minister of Finance can best be illustrated by his reference to the amendments to the Customs Act of 1958, when he said there had been no orders issued under that act.

Mr. Fleming (Eglinton): I did not say that.

Mr. Pearson: You did.

Mr. Pickersgill: You said it had not been necessary.

Mr. McIlraith: The minister said it had not been necessary to issue orders. I want to point out that on April 18 his colleague, the Minister of National Revenue (Mr. Nowlan), as appears on page 3776 of *Hansard*, had occasion to apologize for the misrepresentation that had been made and pointed out that there had been a great many orders issued. He himself had made the same kind of misrepresentation and he was very quick to correct it as is fitting in keeping with what should be the manners of a minister of the crown. The correction was made in the presence of the Minister of Finance but he persists in the misinformation today.

I could go on correcting the Minister of Finance but I presume I should make my own speech. I should like to point out that the Minister of Finance seemed to be bolstering the achievements of the government by his manner and the loudness and vigour of his voice today. That is his privilege if he wishes to do so, but he kept referring to these achievements as momumental achievements of the government. I would simply point out to him that tombstones are monuments and maybe he is building a tombstone for our trade by means of the wrong policies of the government which he neglects to correct and replace with proper policies.

The minister went on to take credit for some reduction in the exchange rate between Canada and the United States. Some of us read the minister's speeches on occasion, and this is the same Minister of Finance who always disclaimed previously that the government could do anything about exchange rates without the imposition of foreign exchange controls. He took great care to point that out on other occasions but today he takes credit that the exchange rate is down a little. May I remind him that the famous baby budget, which presumably he is claiming is the factor responsible for this reduction, did not seem to bring down the exchange rate because it went up after the delivery of that infamous speech.

Mr. Fleming (Eglinton): No, it did not. It went down.

Mr. McIlraith: It went up.

Mr. Chevrier: You made a lot of miscalculations in that budget, didn't you?

Mr. McIlraith: The record will speak for itself. Another inconsistency of the minister in his remarks today had to do with the figures as to the numbers of items with respect to which there had been increases or decreases in the tariff, since the present government took office but he took great care in the figures he gave to omit the dozens of tariff items affected by the legislation finally passed last week. Those items were omitted. They were just not included in the computation.

Perhaps I might point out other inconsistencies on his part today. He talked about the European common market being tentative.

Mr. Fleming (Eglinton): I did not. I talked about the approaches.

Mr. Chevrier: Did you know what you were talking about?

Mr. McIlraith: Perhaps I might elaborate by saying that he talked about the approaches to the common market being tentative. I must point out to the minister, however, that however tentatively he views these things they are not tentative but very real in the mind of the Prime Minister of the United Kingdom, as he made clear in his speech in Boston and many other speeches he made while he was on this continent.

Perhaps I should put the amendment on record again at this point because I fear it has not been fully understood. Certainly the Minister of Finance during the whole course of his speech tended to put an interpretation on it that misrepresented its content and purport completely. The amendment is in these words:

> That all the words after "that" be deleted and the following substituted therefor:
>
> "This house regrets the protectionist and inconsistent trade policies of the government and its failure to develop a long term foreign economic policy to enable Canada to participate fully in the challenging new opportunities in the field of international trade by implementing a vigorous program to promote the expansion of our secondary manufacturing industries and by encouraging the development of an Atlantic economic community."

The hon. member for Burnaby-Coquitlam (Mr. Regier) moved the following subamendment:

> That the amendment be amended by changing the period at the end thereof to a comma and by adding thereto the following words:
>
> "to prevent a drastic loss of overseas markets for agricultural and other primary products."

I regret that the hon. member for Burnaby-Coquitlam is not in his seat at the moment because, however true it may be that the failure of the government to develop a long term foreign economic policy to enable Canada to participate in the new opportunities in the field of international trade and its failure to encourage the development of an Atlantic economic community may result in a drastic loss of overseas markets for agricultural and other primary products if we do not succeed in relating ourselves properly to these new developments, there are other consequences as well. While the loss of overseas markets for agricultural and other primary products is of major importance in this whole debate, it is only a part of the total picture. The effect of the subamendment is to limit and restrict the amendment, and I would point out that the effect of this limiting and restrictive addition to the amendment is quite diffierent from the speech of the hon. member moving it.

It seemed to me from his speech that he did not mean to limit his approval of the amendment in any way but the fact is that by the words he has used in the subamendment he has tended to limit the amendment. While I grant at once the extreme importance of the matters he has referred to in the subamendment, the words he has used have a limiting effect and therefore the subamendment is not acceptable so far as we are concerned.

Incidentally, he made an implication with reference to me in his speech which I should like to dispel at once. There should not be read into the amendment any lack of interest by me in any part of it. I am very keen about the whole of the amendment and just as much in support of the reference to secondary industry, as I hope to show later in my remarks, as anyone in the house. He is quite wrong in any deductions he made because of the amendment being proposed by one much abler than I. I assure him that this was done because of the desire and readiness of the Liberal party to work together and to have the amendment moved on this occasion by one of prime ability.

An hon. Member: Do not be so modest.

Mr. McIlraith: Unfortunately the Minister of Trade and Commerce (Mr. Hees) has vanished, but I should like to make some references to the speech he delivered yesterday which I must admit I found rather interesting because it demonstrated the very thing about which we are complaining. I want to read one excerpt from the minister's speech. In talking about the main motion—I presume he meant the amendment—he said this as reported at page 3945 of *Hansard* for April 24, 1961:

> It purports to speak on the one hand of a free or freer trade area within the Atlantic economic community and in the same breath it expresses

regret because, it says, the government has failed to promote the expansion of secondary manufacturing industries in Canada. These two courses are contradictory and represent opposite ends of the economic pole.

There, sir, you have an expression of the policy of the government, that there is an inconsistency in these two things. Surely, the contrary is the fact and it is important that we do both of the things proposed in the amendment. The Minister of Trade and Commerce, by that negative view, is going to leave us in a position where we would take a retrograde step and we would thereby become purely producers of primary products. Surely, that is not the government's position and yet the Minister of Trade and Commerce has clearly set it out in that way in his speech. I must say, however, that his speech of yesterday was consistent with his other speeches on this precise point.

The purpose of the amendment is to suggest, first, the failure of the government to develop a long term foreign economic policy. It seems to me that in today's world it is not good enough for the Minister of Finance or any other minister of the crown, in answering this amendment, to try to deal with it in terms of days long past. It must be dealt with in today's circumstances, today's world, and it must be dealt with in the context of the cold war which, it seems to me, is being developed more and more on economic terms. In that context, surely it is elementary that the free western countries must be brought to a consideration of the prospects of trade, a subject that ought to be foremost in our minds.

I recognize that certain short run considerations are important from time to time in the consideration of external trade. I quite recognize the day to day vicissitudes of trade and I am not one to minimize their importance. However, this amendment is concerned with long term foreign economic policy. We are concerned with the development of this long term policy over the years ahead so that we will provide the proper trading climate in the years ahead. The Minister of Trade and Commerce completely missed that point yesterday. He talked about certain trade figures, merchandise trade figures for this year and last year, without relating them to this important point.

Then, we have this problem of the government—I am making this as a direct criticism of the government in every area—being hypnotized by this short run, day to day view. The government seems to be unwilling to develop long term policies. Surely, an able government must do both. It must be able to develop long term policies as well as be able to look at the day to day problems. Our need now, in our external relations, is for a long term foreign economic policy.

I do not want to traverse ground that has been traversed. My leader made an excellent speech on February 28, which appears at page 2499 of *Hansard,* on the subject of O.E.C.D. I will not repeat any part of that speech now. However, there are aspects to this problem which time does not permit me to develop, which are very beneficial for Canada and for the whole free world. I refer to such matters as the expansion of trade with underdeveloped countries and the reliance of those countries on certain commodities with sharply fluctuating prices, with a resultant adverse effect upon them. I should like to develop that theme on some other occasion, but perhaps I will have to let it go with a mere mention now.

If we should develop an Atlantic trading area on a really sound footing, it would do much to stabilize prices of the basic commodities which come from these other underdeveloped countries. This would be a very good thing as anyone knows who understands the sharp reverses their economies have had.

The Minister of Finance today seemed to go out of his way to deny certain impressions that were created by his remarks, and more particularly by the remarks of the Minister of Trade and Commerce. I could, perhaps, spend a good deal of time quoting the remarks of the Minister of Finance, especially from his speech at Ste. Adele. I thoroughly read again this morning the speech delivered at Ste. Adele. I was interested to note that the minister did not attribute to that speech the quotations he made from it today. He read a substantial part of it into the record.

Mr. Fleming (Eglinton): One paragraph.

Mr. McIlraith: No, the minister and I will have to differ on that. I was following the text as he was making his remarks. He read an important part of it and I, in common with many others, found the speech contained an implied threat of retaliation.

Mr. Fleming (Eglinton): Nonsense.

Mr. McIlraith: I read it again this morning to see if I had misinterpreted it, since the minister is so quick to challenge my original interpretation. However, my original interpretation still stands. I have a whole sheaf of quotations from the Minister of Finance here, but perhaps I will content myself by reading one from the Toronto *Globe and Mail*

of November 22, which refers to this Ste. Adele speech. The minister is reported as saying:

> Canadian interests will be damaged, perhaps seriously, if the United Kingdom aligns itself with the common market countries in some sort of free trade area. Canada might retaliate by raising its own tariffs.

The article goes on to state:

> Certainly under such circumstances the pressure for Canada to embark on closer trade associations with other countries, particularly the United States, would understandably be increased.

Evidently the correspondent for the *Globe and Mail* interpreted the speech the way the rest of us did.

Then, on November 25, there were some questions asked in the house about this speech at Ste. Adele. The minister persisted, according to *Hansard,* page 197, in these remarks that we interpret as a threat of retaliation. He will find those remarks recorded at the top of the first column of page 197.

Mr. Fleming (Eglinton): There never was any threat of retaliation.

Mr. McIlraith: In any event, the remarks are interpreted that way.

Mr. Fleming (Eglinton): It is the wrong way.

Mr. McIlraith: The Minister of Trade and Commerce went to Paris to deal with some foreign trade matters. He is reported as having stated—it depends on which paper you read, but all the reports are of the same nature:

> Unless the European common market substantially reduces its announced tariff schedules affecting imports from Canada at the GATT negotiations in progress in Geneva, Canada will retaliate by increasing its barriers against imports from the six European countries.
>
> The warning has been given by trade minister George Hees to European ministers meeting here . . .

There it is. Since this government took office the Department of Trade and Commerce has been truncated. Remnants of it are left with the Minister of Trade and Commerce and I hope the jurisdiction he has over that part which is concerned with foreign trade—and it seems to be shared between the Minister of Trade and Commerce and the Minister of Finance—will be further reduced, if he is going to persist in making ill-timed statements of that sort.

If the minister has any doubt about the interpretation by others of the speeches of this government, I would refer him to the *Financial Post* of December 10, 1960. This is quite a long article—it covers a full page—by Clive Baxter. The article is headed:

> In Europe, they say that Canada overrates her own importance . . .

I could quote a great deal of this article; I could quote it all if I had the time. In any event, it reports that Mr. DeGrood the head of the North American division in the directorate-general for external relations at E.C.M. headquarters, who is described as a Dutchman and a friend of Canada, said:

> "It seems to us", he finally replied, "that Canada overrates its own importance these days. We want to trade with you, but you must understand that if necessary we can get on without you".

Another part of the article, not attributed directly to this spokesman, says:

> It is not encouraging to report—but impossible to ignore—that the speech seemed to worry nobody in Brussels. The departments concerned were interested in its contents but apparently far from scared by its warnings.
>
> "You got yourselves into this mess", commented an E.C.M. executive who didn't want his name used for obvious diplomatic reasons. "We are not to blame for what happened. But please explain to Canadians that while we sympathize with your problems, you cannot scare us with the sort of threats Mr. Fleming used.
>
> "If you don't like what we are doing you are of course free to take whatever measures your government sees fit. But I think you should remember this important fact: We are a unit of 170 million people. We have ambitions to build what may some day be an equal of the United States in every respect.
>
> "Much as we like Canada and Canadians, don't ever think that a market of 17 million people can threaten us into changing our basic plans. We will listen to your views and where possible will meet your requirements, but please don't lose your sense of proportion. You are going to have to live with us in the future and to withdraw into an angry protective shell can only mean worse and worse trouble for your economy".

Mr. Chevrier: Then they did make a threat.

Mr. McIlraith: There is the interpretation put on the speeches of these two hon. ministers. There is a rather apt statement of what would flow from the scared and angry policy of the government that was being expounded in those speeches.

Mr. Lambert: Mr. Speaker, may I ask how competent is the individual whose remarks the hon. member just read?

Mr. McIlraith: I would say, much more competent than any member of the ministry of this government. His whole treatment of the subject points up and ably illustrates his understanding of it.

I am afraid the Minister of Trade and Commerce showed that he had no grasp at all of what was involved, or its significance to this government.

Mr. Chevrier: Any more than he did when he spoke about the Cubans.

Mr. McIlraith: Exactly. It is just the same kind of inconsistent trade policy illustrated by the minister when he spoke about the Cubans, when he went on with that kind of

nonsense and said, "You could not wish to do business with better businessmen anywhere". Those are the kind of irresponsible and careless statements we are getting from the ministry. Those kind of statements have consequence in our international trade relations and ought not to be made in the brash, thoughtless way in which they apparently are being made.

I could digress and list a great many famous boo-boos made by the Minister of Trade and Commerce, but of course it is not desirable to do so at this time.

Mr. Chevrier: They have made a complete volte-face since then.

Mr. McIlraith: They would need to make a complete volte-face since then. Not only has the government done nothing appropriate about these long term policies that are required at this time, but their short term policies are regressive. It is quite clear that these policies will cause a good deal of trouble for our secondary industry in the time ahead. They have already caused our secondary industry a good deal of trouble.

In giving the figures yesterday for commodity trade the Minister of Trade and Commerce completely missed the significance of some aspects of this matter. He did not tell us that our imports were down because of the recession in business in this country. He did not tell us that our exports to the United Kingdom have increased—and we all rejoice in the fact that they have increased—because there has been a sharp upturn in the economy of the United Kingdom. He did not tell us that this year there was a very significant feature in our increased exports to the United Kingdom; in that about 5 per cent of it represented wholly manufactured goods.

The minister did not relate the significance of that fact to the possible development in this country of secondary industry, which this government is doing so much to destroy. He did not—

Mr. Grafftey: That is nonsense.

Mr. McIlraith: In dealing with the other items, he did not deal with the true significance, in long term effect, on the economy of the country. The minister merely dealt with them as if no long term factors at all were involved. He did not deal with the threat to our agricultural products, which apparently was in the mind of the hon. member for Burnaby-Coquitlam if the European common market develops into a protectionist association. The minister did not deal with that matter at all.

He did not tell us the danger we must meet in this regard. When the hon. member for Jasper-Edson (Mr. Horner) was speaking last night, I could not help thinking how little he understood the danger and threat which exists to our wheat exports in certain of these movements that are going on wholly outside Canada and outside direct participation by this country. The hon. member seemed to have missed that point.

It seems to me that the two parts of this amendment are wholly consistent. In addition to developing policies by way of negotiation with these two European trading associations in order that we will be integrated in a proper association with them—as was so ably expounded by my leader this afternoon—we have the other problem. I refer to the problem of our secondary industry and its development.

The present government has made much of the baby budget delivered last fall. It is interesting to see that the President of the United States saw fit to refer to it in his message to congress. Unfortunately, I have only the newspaper reports. I would like to see the text of the president's speech. However, it is quite clear that he may already have started the chain of events which will be damaging to the economy of this country that our Minister of Finance initiated by his angry, little, wrong policies in the baby budget. In any event, the present government has failed to realize the effect of the whole of the taxation policies of the last few years and has failed to realize what they are doing to the economy of this country.

In face of the rapidly changing conditions in the economies of Europe, Japan and other countries in the world the government has failed to understand the necessity for adapting our tax policies in such a way as would provide incentives for our export industries so that they can remain competitive. It has failed to realize the role which a government can play in this field. It has failed to realize the importance of adopting tax policies, whether by tax incentives or otherwise, which would enable our secondary industry to provide itself with the most modern machinery and equipment. That is the direction which our taxation policy should be taking. Instead of that, the government has been following policies which have increased the burden placed on our export industries and lessened their ability to compete successfully in world markets. I refer to its misunderstanding of how to handle the conversion loan with its indirect consequence of an increase in municipal taxes on industry and a higher interest rate on money borrowed. Corporate income taxes have been increased. The sales tax has been increased to 10 per cent. Old age assistance tax has been increased by 50 per cent and the unemployment insurance charges on

industry have been increased by between 25 per cent and 50 per cent depending on which category is involved.

All this has constituted a very heavy burden on our productivity, a direct addition to the cost of production and, indirectly, an added burden on our productivity. What is required now is an adaptation of these tax policies, every one of them, on a broad and massive front, to meet the needs so that we can once again put secondary industry into competitive production. Then we would not have these policies of fear and the retaliation which these two ministers go around talking about outside the country.

We have had in this country an excellent experience of using accelerated depreciation allowances to facilitate the transition of industry from a wartime to a peacetime basis. That policy was used to great advantage and I am at a loss to understand why in the circumstances in which we find ourselves today the government does not use this vast experience which has proved itself so effective in past years, applying it to the changed problems and requirements of today, because the need to help industry develop and increase its productivity is as great today as the need of industry for help to convert to peacetime production was then.

There are many other phases of taxation to which I could refer and upon which I could elaborate but I see I have only four or five minutes left. The corporate taxation field is neither a popular one to speak about nor an easy one, and I do not wish my remarks to be considered as meaning only that we should take the easy step of reducing corporate income taxes. It is a matter of developing all the taxes which affect corporations in a way which will relate particularly to the export problem. That would involve certain adaptations of the sales tax policy and it would also involve the use of depreciation allowances. It would involve an examination of the techniques of releasing earnings from companies for investment in new and up to date equipment. It might also involve an examination of the right of shareholders to withdraw their dividends on a more advantageous tax basis than is presently the case. It will involve some wholly new policies.

It was suggested by the Leader of the Opposition on January 20 of this year during the budget debate as reported at page 1274 that special provision might be made in the field of earnings from increased exports. My hon. friend spoke on this very point in a precise way and made a suggestion of a particular nature:

> To encourage domestic manufacturing industries to increase their exports tax incentive should be offered including a reduction in corporation income tax on the profits earned on increased export sales.

There are a great many variations in the forms of tax incentives that could be offered. In any event—

Mr. Pallett: Would the hon. member permit a question?

Mr. McIlraith: I should be obliged if the hon. gentleman would bear with me one moment and ask his question at the completion of my time.

These things are not being done by the government. Instead, it is taking retrograde steps each session in this whole field of taxation. The speech made last night by the Minister of Trade and Commerce showed a complete failure to understand the nature of the problem facing this country in the field of foreign trade, both as to its long term implications and as to its short term relationship to unemployment and the difficulties facing our secondary industries. We have sought in this amendment and in our debate to put forward criticisms of the government but to accompany these criticisms by positive and responsible suggestions capable of being carried out and, which, if carried out, would render wholly unnecessary these debates on unemployment which take place so frequently in the house when a Conservative government is in office.

These suggestions, if adopted, would eliminate the need for these parades of unemployed to parliament hill seeking to make representations to members of parliament. All these things would become wholly unnecessary. As I say, in criticizing the government we have sought to accompany our criticism with a program of the kind that should be carried out by any active and responsible government in this field and to demonstrate exactly how these policies would work. However, I am afraid the present government has closed its collective mind to any ideas of a progressive character. Hon. members opposite seem to think in terms of turning back the clock, and it is for that reason I referred at the opening of these remarks to the bluster of the present Minister of Finance and to the blasting into the markets of the world spoken of by the then prime minister of that party some 30 years ago when unemployment was as much of a worry as it is today.

Mr. J. R. Keays (Iles-de-la-Madeleine): Yesterday we heard the hon. member for Laurier (Mr. Chevrier) move an amendment in this house which demonstrated again his ability to create the paradox of paradoxes. He criticized this government for either the lack of a trade policy or an inconsistent trade policy, while in the same breath he mentioned

that there was an expansion of trade under this government. However, he found ways and means for not giving credit to those Canadians who are imaginative and possess initiative and drive. Rather, he gave credit to the dynamic growth of western Europe. In other words, he again expressed the opinion that Canadians were lazy, lacked imagination, initiative and drive.

It seems to me that in addition to preaching doom and gloom hon. members opposite are trying to destroy confidence in Canadians. In an article appearing today in the Canadian Manufacturers' Association pamphlet there is one sentence which seems to refer to that which I have just mentioned. That article suggests that public confidence in the immediate future should not be undermined or disturbed by playing up the bad and playing down the good in such a way as to distort the over-all economic picture and thus promote fear and doubt where there should be none, which would do Canada and the unemployment situation a great disservice.

As I have mentioned, hon. members opposite do not give any credit to the initiative of the government. However, some people think that the action and policies of this government in so far as trade is concerned are quite satisfactory. In an article appearing in the *Citizen* of December 14, 1960 under the heading "Golden Decade Has Lost Much of its Glitter" Mr. Ben Dworkin had the following to say:

> In the meantime the drive by the Canadian government to secure outside markets is believed to be a factor that will give business generally a boost.
>
> Despite the competition for world markets, trade envoys from all parts of the world that are attending a conference in Ottawa report that Canada stands a good chance to break in, or improve her position as an exporting nation to almost every part of the world.
>
> This drive for business, and the enthusiasm that has been shown by businessmen for the program all reflect optimism that new customers can be found.

There is one person who appreciates the policies of this government in so far as trade is concerned. We heard the Minister of Trade and Commerce (Mr. Hees) yesterday refer to the 9 per cent increase in the volume of our export trade since 1957. This is due to the selling efforts of this government, the initiative of those ministers concerned with the problem, and to the selling ability of the personnel we have stationed all over the world. Again, we can speak about our trade imbalance which has gone from $368 million in 1957 to $97 million in 1960. I believe that these few facts speak well of the trade policy of this government.

Trade problems are growing and the United States last year voted extra millions of dollars to put more salesmen into world centres. The United Kingdom has taken similar action. This proves that the problem rests not solely in Canada but all over the world.

The objectives of the O.E.C.D. are ideal. Let no one believe that these objectives will be reached simply by the stroke of a pen. Many obstacles will be encountered by those members who form O.E.C.D. in so far as trade policies are concerned. Trade talks and horse trading will still go on not only within that zone but with those exporting nations who are desirous of continuing trade, and by the bloc countries desirous of exporting their surplus products.

The O.E.C.D., made up of 20 nations, does not represent the ultimate in respect of western trade, but its immediate objective was aimed at expanding economic aid by the industralized nations to the underdeveloped nations of the world. Canada along with two other countries—I believe they are Switzerland and Sweden—gained the compromise that after the O.E.C.D. was formed it would review the acts of the old O.E.E.C. in so far as trade was concerned. The O.E.CD. also gave all the signatories the opportunity to air problems in respect of general trade policies with a view to protecting them in relation to the defence of trade practices, when a member nation desired to bring forward a trade problem.

These are the concessions obtained by this government. As the Minister of Finance has so ably said, Canada is always aware of the problems which may arise with other trading nations and must at all times protect herself.

To substantiate my statement about the organization, which included a number of the common market members, I would refer to what Mr. Ludwig Erhard said as reported in the *Gazette* of January 25, 1961: under the heading "Erhard Fears 'Tragedy' of European Split":

> Mr. Erhard's restiveness about the common market is founded on his conviction that it is cementing an economic split between its members and the rest of Europe. He regards this as an economic and political tragedy and considers that it weakens rather than strengthens the free world.—
>
> The weight of Mr. Erhard's declaration lies to a notable degree in the intangibles of the situation. Despite his affirmation of loyalty to the written treaties, it is evident that more than technical observance of the treaties will be needed to maintain the common market momentum in future years.

Although this organization is ideal, there are problems to be surmounted. I am sure this goverment is aware of them and is protecting itself accordingly. Canada does not

wish ideals but rather a commercial relationship with all its trade partners without forgetting the social or political effects of such association.

Hon. gentlemen opposite have criticized the government for failing to take advantage of opportunities for closer collaboration with other members of the North Atlantic community. Some of the hon. gentlemen opposite have chosen to cast doubt on the value of our participation in the organization for economic co-operation and development. To me this reveals a surprising lack of understanding of the significance of this most important step toward co-operation and collaboration among the 18 countries of the western community and the two North American powers.

I think hon. members of the official opposition show extraordinary lack of judgment, consistency and respect in representing O.E.C.D. in an unfavourable light. So short is their memory that they fail to see the contradiction in their taking this stand. Do they not recall the North Atlantic treaty which was signed in 1949? Do they not recall the insistence of the Liberal government, then in power, on the insertion in the text of the treaty of article 2, which reads as follows:

> The parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

We have frequently heard the Leader of the Opposition speak on this subject and we know the part he played in preparing the report of the committee of three of the North Atlantic council on ways and means to improve and extend NATO co-operation in non-military fields and to develop greater unity within the Atlantic community. Let me ask hon. gentlemen opposite what the Liberal government did between 1949 and 1957 to develop unity within the Atlantic community in non-military fields? We see no evidence of their having made any progress in this connection. We see no evidence that article 2, through the efforts of the Liberal government, was made meaningful. I think this is sufficient proof of the cynicism and hypocrisy of hon. members of the official opposition in suggesting that they do indeed support the idea of an Atlantic economic community.

This government has moved positively in assisting in the formation of an O.E.C.D. comprising the members of this community. Let it not be for the opposition to imply that we have been as negative or as negligent as they were when they held office.

Alleged Lack of Trade Policy

In so far as the subamendment of the C.C.F. party is concerned, I do not think any additional words are required. I think the hon. member for Jasper-Edson (Mr. Horner) ably answered the problems brought out by the subamendment.

In so far as trade policy is concerned, has this government not moved forward since 1957, bringing in at each session legislation which enable Canada's trade policies to rank among the best in the world? Has it not under the productivity council made it possible for studies to be undertaken and an examination made of the reasons for unemployment? I am sure that if answers are found by this council they will be brought to the attention of the appropriate minister.

Has this government not extended the Export Credits Insurance Act? Has it not made available through the banks sufficient credit to enable our exporters to continue and improve their businesses? Has it not been the policy of this government to make money available to the exporters? Since this Conservative party believes in free enterprise, the government has left to the banks the responsibility of providing exporters with the money they need. The policies of this government are farsighted, vigorous and energetic. We all remember the smug complacency of the previous government. It failed to recognize the problems which were eventually surmounted.

I should like to refer to a few facts which prove that the policies of this government are an encouragement to Canadians. In this respect I am speaking about our secondary industries, because it is in those industries that we will find the answer for unemployment. They alone can give work to approximately 70 to 75 per cent of the Canadian labour force. Our policies have brought some results, as they have made it possible for Canadian manufacturers to compete in other markets. One company I have in mind is a firm called Hamilton Clamp and Stampings Limited, which is challenging two big United States industries which are exporting automotive parts to Canada. This firm has appointed a distributor in New Zealand and negotiations are under way for distributors in Australia and the United Kingdom. It is branching out in the export business with an extensive line of hose clamps that has become its mainstay.

A Swiss backed metal firm has located in Canada, and there are numerous others which have come here because of our trade policies. The Liberals have encouraged their pet project, free trade, by importing cheap goods to the disadvantage of Canadians and resulting in the closing of factories. They have ignored the change in our economy and are in favour

of the traditional trade patterns which were in existence in Canada when they were in office. John Meyer, writing about the Liberal party in the *Gazette* of Thursday, December, 15, 1960, had this to say:

> It is only now showing evidence of concern about the extent of foreign investment in Canada. Had there been the open-mindedness to recognize the dangers of excessive foreign investment in its contemporary form, instead of assuming it to have been in its traditional form, concern about it would have been expressed in the early fifties instead of after the peak has been reached.

What applies to monetary policy, Mr. Speaker, also applies to Canada's trade policy. In those days when there was no question of unemployment, when Canada developed huge surpluses every year, the Liberal party remained smug and complacent. Those were the days when they should have introduced the legislation which the present government has introduced in the last few sessions. If they had done so, our gross national product would not have stopped growing. The impetus would have been given at that time, which was the proper time, in order to keep our national product growing.

There are some Canadians who think well of the policies of the government. William F. Shelley, president of Canadian General Fund Limited, is one. I have here a newspaper article which reads in part as follows:

> William F. Shelley, president of Canadian General Fund Limited and co-chairman of the committee of Canadian investment companies, said government action has already stimulated housing construction by liberalizing loans and placed the Canadian automotive industry in a more favourable position through increased duties on foreign cars. Shelley also told the fund's stockholders that the government has succeeded in increasing domestic production by affording further tariff protection and has provided long term stimuli for Canadian exports through new financing procedures.

I think that these actions by the government are commendable and I cannot see how we can support an amendment such as that moved by the Liberal opposition.

Other people also think well of the trade policies of the government. I should like to refer to a report of a speech by Mr. Roberge, the president of Banque Canadienne Nationale, at the last annual meeting of shareholders. The newspaper article reads in part as follows:

> Mr. Roberge declared that a compromise between the "sixes and sevens" was likely, and Canada's interests might be hurt. "Our exporters must be in a position to face foreign competition, particularly that of the common market which from now on will share with the United States the twofold advantage of modernized equipment and a vast domestic market," he said. Mr. Roberge described the federal government's budget moves to encourage the development of industry and domestic investment "as a first step in the right direction". When experience has shown their effects, he said, a more comprehensive economic policy would be needed to aid the formation of capital.

That is exactly what the government has done, Mr. Speaker. It has created the productivity council and it is going to establish a design council. These organizations will help the government to introduce proper legislation so that our trade with all nations will continue to grow for many years to come and not, as suggested by the opposition, for just a few years. Again, I do not see why we should have to import finished products simply so we may sell our raw resources. We need protection for secondary industries and, as I have said before, these are the industries that put Canadians to work. The paradox of the Liberal party seems to be that they say we should import more and sell more and at the same time they forget the development of our secondary industries which are so important to the Canadian economy.

So far as the tariff structure is concerned, the Minister of Finance has certainly made a move in the right direction when we realize that not since 1907 has our tariff structure been overhauled. The government is doing something about it because it wishes to make it adaptable to the present and the future. In the words of the Minister of Finance, this will provide an opportunity for a further reduction in world trade barriers and new opportunities for Canadian exporters.

How can the opposition criticize these objectives of the government, Mr. Speaker? Finally, may I say that I endorse fully the steps which have been taken by the government with respect to our trade policies, increasing our export trade and, more important, developing our domestic trade. We have not forgotten the one or the other but have made them all into one common problem which will be resolved by the government.

Mr. Hubert Badanai (Fort William): Mr. Speaker, although the Minister of Trade and Commerce (Mr. Hees) is comparatively new as head of this department, he looks and acts as though he was born for the job. From the first day of his appointment he has taken his job seriously and initiated some innovations, which we all trust will mean more business for Canada, such as the big conference of trade commissioners from abroad, some 110, I believe. I understand that this effort was worth while. Now we are all waiting for the results and I for one wish to congratulate the minister on his enterprise.

Trade is the life blood of our nation and without it we cannot hope to thrive and prosper. But with all the energy of the minister and however great his zest may be and that of his assistants, we can never hope

to gain foreign markets unless we have a favourable trade climate. This can only be brought about by legislation designed to attract foreign buyers and if we do not have it then all these efforts will have been made in vain.

Recent legislation, notably that granting the Minister of National Revenue (Mr. Nowlan) power to redefine for tariff purposes goods of a class or kind made in Canada or that could be produced in Canada, certainly will not create an incentive for wider trade with foreign nations, especially those which are already good customers and purchase from Canada far more than we purchase from them. This measure, fought by the opposition every step of the way, will not help the minister to realize his aspiration to increase and promote exports.

I do not think this country can afford to provide an increase in tariff protection against a surge of foreign competition for manufacturing industries which supply only a small share of the Canadian market. Unfortunately it seems that the new minister is handicapped by the tariff and monetary policies of the Minister of Finance (Mr. Fleming), as was his predecessor, now Minister of Veterans Affairs (Mr. Churchill). The latter was handicapped by the obstinate refusal of the Minister of Finance to introduce measures to lower the value of the Canadian dollar in relation to its counterpart, the United States dollar. As he pointed out this afternoon, however, the dollar has dropped to about 1 per cent above par. Now, we see a repetition of this intrusion with the advent of new protectionism which is nothing more nor less than the old Tory protectionist medicine. I daresay that the late Right Hon. C. D. Howe, when minister of trade and commerce, would never have allowed the minister of finance of the day to introduce legislation that would hurt our chances of selling abroad.

A brilliant member of the press gallery, in an article which appeared in the Port Arthur *News-Chronicle* some time ago, saw how the wind was blowing and had this to say. I quote:

> "Trade or perish" would be an apt and pungent solgan for Canada. It is commonly said that one third of all Canadian workers owe their jobs to our trade with foreign countries. This proportion is infinitely higher than that pertaining within the borders of our greatest supplier and our greatest customer, the neighbouring U.S.A. It is probably higher than in any other country in the Atlantic community.

This reporter then goes on to point out that we are building Canada into a defensively-walled trading citadel isolated on a lovely high priced plateau. Then he proceeds as follows:

Alleged Lack of Trade Policy

On December 16 Mr. Fleming told the House of Commons that he and the minister of trade, Hon. George Hees, had recently signed, on behalf of Canada, the convention establishing the organization for economic co-operation and development known as O.E.C.D.

The aims of this newly constituted organization, Mr. Fleming told the house, are "to promote policies that are designed:

(a) to achieve the highest sustainable economic growth in member countries,

(b) to contribute to sound economic expansion in member and non-member countries, and

(c) to contribute to the expansion of world trade . . ."

Just words, words, words.

O.E.C.D. is a revised version of O.E.E.C., which was just another mantle under which politicians and bureaucrats could "swan" to international debates at the taxpayer's expense despite a consistent record of absolute failure to create even one additional job for Canadian workers.

Two hundred and fifty million citizens of western Europe have decided that small national trading units do not offer an open gateway to mass prosperity and high living standards. So they have agreed to join together in tariff-free economic alliances. These two European groupings, destined one day to amalgamate, are known as the inner six and the European free trade association.

Who are we, eighteen million Canadians, to know better? Yet we have failed to negotiate our entry into either of those prosperous blocs, and we even rejected the offer of a free ride in by Britain. Today, we are not even exploring that golden pasture; we are just signing conventions agreeing to talk, talk, talk.

Now Mr. Speaker, few people would question the soundness of these observations, nor could anyone doubt that the principal cause of the problem is the imbalance of our trade with other nations. Our exports are not sufficient to meet the goods and services which we import and to meet the payments on our foreign debt. There is also a growing body of public opinion, which is substantiated by visible evidence, that Canada is suffering from duplication of production facilities for articles which have only a limited market when divided amongst the numerous participants. This situation leads to lower individual production which, in turn, causes higher prices to meet those costs and those higher costs invite imports, thus bringing new competitors into the production field to divide the small market that exists.

The president of the Canadian Manufacturers' Association appearing before the Senate manpower committee had this to say on the subject.

Mr. Speaker, may I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Badanai: Mr. Speaker, at six o'clock I was about to quote the president of the

Alleged Lack of Trade Policy

Canadian Manufacturers' Association who appeared before the Senate manpower committee. Mr. Kinsman had this to say on the subject of trade and competition:

> This uneconomic multiplication of firms prevents any one of them from securing the benefits of mass production and leads to increased costs and prices. Apart from preventing exports, these higher costs and prices invite imports and tend to bring new competitors into the production field in Canada to further divide markets which were already too small.

By way of example, Mr. Kinsman said there were nine refrigerator manufacturers in Canada for the domestic market, which situation does not appear to make much sense.

Representatives of the electrical manufacturers were asked by Senator David Croll of Toronto to comment upon this observation. One of the manufacturers of refrigerators, Westinghouse president, Mr. J. D. Campbell, readily agreed that there were too many companies in the business, while acknowledging that it was difficult for him to be objective. He said there was a total market in Canada for 350,000 to 400,000 units a year, while at a conservative estimate the Canadian manufacturers had enough capacity to produce one million units.

Mr. H. D. Style, president of John Inglis Company Limited and English Electric of Canada, said the same situation existed in a number of other domestic industries. He said their production capacity was sufficient to more than supply the total Canadian market, a varying share of which was now going to foreign manufacturers.

Of course, I am not suggesting that we should set up controls and prevent any company from entering any manufacturing field. It is entirely up to them. On the other hand, Canadians should not be asked to pay a higher price for commodities, which would be the result of giving increased tariff protection to inefficient, small producers, who in all probability would soon be back asking for still higher tariffs.

We certainly do not advocate cut-throat competition; nor is it our duty to ask the people, the consumers, to pay the higher prices which higher tariffs would impose.

Contrary to the common belief that high tariffs protect Canadian industries, in reality, in most cases it has the direct tendency of inviting retaliation in kind.

I am fearful that as a result of a short-sighted policy on trade and tariffs, while we may keep out a few thousand television tubes made in Japan, we may jeopardize the sale of millions of bushels of wheat to that country which, incidentally, has a large trade deficit with us. Japan's chief import from this country is wheat, a commodity of which Canada has a huge surplus. Other commodities which Japan buys from us are the products which directly benefit hard pressed industries such as coal and iron mines.

We should also remind ourselves that we are not the only wheat producers in the world; but in its trade and tariff policies this government acts as if Canada were the only source.

The Minister of Trade and Commerce (Mr. Hees) devoted a considerable portion of his speech to the absurd assumption that the members of the official opposition were against buying Canadian.

I wish to remind hon. members of this house in general and the minister in particular, that on February 11, 1960, as will be found in *Hansard* at page 952, I urged the government to give consideration to the advisability of sponsoring a "buy Canadian" campaign. I said:

> In view of the hundreds of millions of dollars being spent importing into Canada automobiles and consumer goods of a kind already made here, has the Department of Trade and Commerce given any consideration to sponsoring a national campaign to make Canadians "buy Canadian" conscious?

The then minister of trade and commerce, now Minister of Veterans Affairs (Mr. Churchill), replied as follows:

> I doubt the urgency of this question, Mr. Speaker. The problem of encouraging Canadians to buy goods made in Canada is one which is of importance, and that type of campaign has been going on under the auspices of business organizations for some considerable time.

I followed up the question by asking whether the Department of Trade and Commerce had given any consideration to a national campaign sponsored by the government, and the minister replied:

> There is no consideration being given, at the moment, Mr. Speaker, to a national campaign under the auspices of the Department of Trade and Commerce. The hon. member's suggestion will be taken under advisement.

The Minister of Trade and Commerce is a very genial fellow and is well liked, but he is also a past master at twisting words around to create different meanings. However, he will not be able to read in my statement anything which would indicate other than that we on this side of the house are just as anxious for Canadian people to buy Canadian as any hon. member of the house, including the Minister of Trade and Commerce.

The Minister of Trade and Commerce does not approve of giving any consideration to the proposition of creating a free trade area that would include the United States, Britain, Canada and some European nations.

Mr. R. M. Shaw, senior vice president of MacMillan, Bloedel and Powell River Limited

of Vancouver, addressing the western retail lumbermen's association, made the following statement and I quote:

> Canada, if given access to United States markets, would undoubtedly be able to build up a secondary wood products industry to manufacture such products as prefabricated garages, summer cottages and patios, casing sets, overlays, sashes for doors and windows and garden and household furniture.

He said all these products were produced in Canada now but in insufficient volume to take advantage of the economics of mass production enjoyed by larger United States manufacturers.

At present Canada has free entry into the United States only for lumber which has been surfaced on four sides, tongued and grooved. Mr. Shaw believes that under free trade Canada would increase its volume of sales to the United States more than the United States would expand its sales to Canada of similar products.

On the broader aspects of free trade, Mr. Shaw said an outdated degree of nationalism was threatening to isolate Canada from free trade areas evolving in Europe. He said Canada should display the leadership in the free world trading community that is expected of us as a major trading nation.

However, we on this side of the house do not advocate a policy of free trade between Canada and the United States alone. Our leader has made it clear that what we favour is an Atlantic free area which would include Canada, the United States, Britain and other European nations.

Last night, the Minister of Trade and Commerce referred to the address of the hon. Leader of the Opposition (Mr. Pearson) delivered to the Empire and Canadian clubs of Toronto on April 24 and I cannot think of a more effective way to bring my remarks to a close than to quote a few paragraphs from it which will indicate the trade policy a Liberal government will establish when the Liberal party is called to form a government—

Mr. Speaker: Order. I am sorry to interrupt the hon. member but it being 8.15 o'clock it is my duty pursuant to section 4 (d) of standing order 56 as provisionally amended to interrupt these proceedings and put the question on any amendments now before the house.

The house divided on the amendment to the amendment (Mr. Regier) which was negatived on the following division:

Division

YEAS

Messrs:

Argue	Peters
Fisher	Pitman
Howard	Regier
Martin (Timmins)	Winch—8.

NAYS

Messrs:

Aitken, Miss	Henderson
Allard	Hicks
Allmark	Horner (Acadia)
Anderson	Horner (Jasper-Edson)
Badanai	Horner (The Battlefords)
Balcer	Howe
Baldwin	Johnson
Barrington	Jones
Batten	Jorgenson
Beech	Jung
Belzile	Keays
Best	Kennedy
Boulanger	Kindt
Bourget	Knowles
Bourque	Korchinski
Brassard (Chicoutimi)	Kucherepa
Browne (St. John's West)	Lafreniere
Browne (Vancouver-Kingsway)	Lahaye
Brunsden	LaMarsh, Miss
Cadieu	Lambert
Campbell (Lambton-Kent)	Leduc
Campbell (Stormont)	Legere
Caron	Lennard
Carter	Lessard
Casselman, Mrs.	Macdonnell
Cathers	MacInnis
Chambers	MacLean (Queens)
Charlton	MacLean (Winnipeg North Centre)
Chevrier	MacLellan
Chown	Macnaughton
Churchill	Macquarrie
Clancy	MacRae
Clermont	McBain
Coates	McCleave
Comtois	McDonald (Hamilton South)
Cooper	McFarlane
Creaghan	McGee
Crouse	McGrath
Danforth	McIlraith
Denis	McIntosh
Deschambault	McLennan
Deschatelets	McMillan
Diefenbaker	McPhillips
Dinsdale	McQuillan
Doucett	McWilliam
Drysdale	Maloney
Dubois	Mandziuk
Eudes	Martel
Fairclough, Mrs.	Martin (Essex East)
Fairfield	Martineau
Fane	Martini
Fleming (Eglinton)	Matthews
Fleming (Okanagan-Revelstoke)	Meunier
Forbes	Milligan
Frechette	Mitchell
Fulton	Monteith (Perth)
Garland	Montgomery
Godin	More
Grafftey	Morissette
Granger	Morris
Green	Morton
Grenier	Muir (Cape Breton North and Victoria)
Grills	Muir (Lisgar)
Gundlock	Nesbitt
Habel	Nielsen
Hales	Nixon
Hamilton (Notre Dame de Grace)	Noble
Hamilton (York West)	Nowlan
Hanbidge	Nugent
Harkness	O'Hurley
Hees	O'Leary
Hellyer	Ormiston
	Pallett

Divisions

Pascoe
Paul
Pearson
Phillips
Pickersgill
Pigeon
Pratt
Pugh
Racine
Rapp
Ratelle
Regnier
Ricard
Richard (Kamouraska)
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Rogers
Rompre
Rynard
Sevigny
Simpson
Skoreyko
Slogan
Small
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Spencer
Starr
Stearns
Stefanson
Stewart
Stinson
Tardif
Tassé
Thomas
Thompson
Thrasher
Tremblay
Tucker
Valade
Villeneuve
Vivian
Webb
Weichel
White
Winkler
Woolliams
Wratten—197.

Mr. Speaker: The question is now on the amendment to the main motion.

The house divided on the amendment (Mr. Chevrier) which was negatived on the following division:

YEAS

Messrs:

Argue
Badanai
Batten
Boulanger
Bourget
Bourque
Caron
Carter
Chevrier
Clermont
Denis
Deschatelets
Eudes
Fisher
Garland
Godin
Granger
Habel
Hellyer
Howard
LaMarsh, Miss
Leduc
Lessard
Macnaughton
McIlraith
McMillan
McWilliam
Martin (Essex East)
Martin (Timmins)
Meunier
Mitchell
Nixon
Pearson
Peters
Pickersgill
Pitman
Racine
Ratelle
Regier
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Tardif
Tucker
Winch—45.

NAYS

Messrs:

Aitken, Miss
Allard
Allmark
Anderson
Balcer
Baldwin
Barrington
Beech
Belzile
Best
Brassard (Chicoutimi)
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Casselman, Mrs.
Cathers
Chambers
Charlton
Chown
Churchill
Clancy
Coates
Comtois
Cooper
Creaghan
Crouse
Danforth
Deschambault
Diefenbaker
Dinsdale
Doucett
Drysdale
Dubois
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Forbes
Frechette
Fulton
Grafftey
Green
Grenier
Grills
Gundlock
Hales
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hanbidge
Harkness
Hees
Henderson
Hicks
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Johnson
Jones
Jorgenson
Jung
Keays
Kennedy
Kindt
Knowles
Korchinski
Kucherepa
Lafreniere
Lahaye
Lambert
Legere
Lennard
Macdonnell
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacLellan
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McGrath
McIntosh
McLennan
McPhillips
McQuillan
Maloney
Mandziuk
Martel
Martineau
Martini
Matthews
Milligan
Monteith (Perth)
Montgomery
More
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nesbitt
Nielsen
Noble
Nowlan
Nugent
O'Hurley
O'Leary
Ormiston
Pallett
Pascoe
Paul
Phillips
Pigeon
Pratt
Pugh
Rapp
Regnier
Ricard
Richard (Kamouraska)
Rogers
Rompre
Rynard
Sevigny
Simpson
Skoreyko
Slogan
Small
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Spencer
Starr
Stearns
Stefanson
Stewart
Stinson
Tassé
Thomas
Thompson
Thrasher
Tremblay
Valade
Villeneuve
Vivian
Webb
Weichel
White
Winkler
Woolliams
Wratten—160.

MOOSONEE RADAR BASE—DEPARTMENT OF LABOUR REPORT

Mr. M. W. Martin (Timmins): Mr. Speaker, I should like to raise a grievance tonight with respect to a matter which was first brought to the attention of the house on March 14 by

the hon. member for Cochrane (Mr. Habel). It concerns a report by a Mr. Hegge who I believe is a business agent for the brotherhood of carpenters and joiners of America. The report had to do with working and living conditions at a federal project at the port of Moosonee. At that time the Minister of Labour (Mr. Starr) said that the matter had just been brought to his attention and that he would investigate it further.

On the basis of information I had been able to acquire I had occasion to discuss the matter further with the minister at that time and he informed me he was sending two officials from his department plus an official from the Department of National Health and Welfare to investigate these very serious charges. After due time a report was made and while the minister did not make the report known to the house he provided me with a copy of it, and my grievance arises out of the complete inadequacy of the report.

To illustrate this point, I think I should list the charges contained in the original news release and say something about their gravity. The news release was made by an officer of the union who professed to have gone to the site and who professed to have gone to the spot. Seldom have I seen a more scathing report than that contained in this release. On examination we find that it contains some 27 specific charges with respect to working conditions, cases of discrimination, false pretences and so on. I think I should list the charges in order to bring hon. members up to date with respect to this matter.

Some of the charges are of a minor nature while others are much graver. However, I think I should list them all because if these charges are true then the minor ones are a part of the over-all picture. The first charge had to do with living conditions and the use of double bunks in a small room, something which was claimed to have been barred from camps of this type for many years. The second charge was that there were no lockers for the men in which they could keep their clothes and personal belongings. Furthermore, there were no doors on the rooms in the bunkhouses and the rooms were open. Only two blankets were issued to each man although we must all realize that at Moosonee the temperature often falls as low as 30, 40, 50 or even 60 degrees below zero.

If I may continue with the complaint, there was inadequate heating, especially in the shower room. There were no shower curtains. There were no laundry or drying facilities. The toilets in this place were broken or there were no seats, and so forth. The basins in the washrooms were not cleaned or sterilized and the floors were never washed. The man who made the complaint said that the only time the floor ever saw water was when the sun warmed up enough so that the water formed by melting snow dripped through the leaky roof. There were no safety inspections. There was no first aid equipment in the camp. The men were transported back and forth to work in open dumptrucks when the temperature was 40 or 50 below zero. There was no doctor available to these men, although they were charged medical fees in order to provide the services of a doctor.

There were two charges that might be termed false pretences. It was stated the men were being sent up from the Timmins unemployment insurance office with the promise that they would start at $1.85 per hour with an increase in two weeks. This was not so. Statements were also made that the men would be able to acquire all the overtime they wanted. Again, this was not true. There was a charge that the men were being fined for no given reason. Some of the men, after returning to Timmins, were sent back again and refused employment. These men found themselves without money, and there was no way they could get back to civilization because the trains operated only twice a week. In some cases the men were forced to sell their personal effects or to beg money from the parish priest in order to get back to a larger community.

The men were being fired, as I said, without reason in between trains and their belongings were deposited in the snow. If any hon. member is familar with the number of dogs that prevail in a community like Moosenee he will realize what a hazard it is to have belongings placed out in the snow.

Another charge was that there were no vacation paybooks supplied to these men. This reminds me of a complaint I had last year in connection with this same construction company. The company found a loophole in the regulations and was thereby enabled to flout the intention of the law. It was alleged the company cheated men out of thousands of dollars of vacation pay as a result of this loophole. Evidently a man had to complete a year's work before he became eligible for vacation pay. The weather in this area was such that the men could not work for more than 10 or 11 months, so they never did complete one year of service. Some of these men had had been going back into this area for four or five years, but they never received any vacation pay.

There were charges of discrimination. Carpenters were being paid $1.85 per hour and labourers $1.25 per hour, but both were charged $3 per day for room and board. However, plumbers and steamfitters were being paid $3.47 per hour and they were given free room and board, free transportation and

fare in and out if they stayed six months or were laid off before six months had been completed. The last charge was, irrespective of the fact wages have gone up considerably since 1956, this same company was paying $2.15 per hour for the same type of work back in 1956, with free room and board and transportation. This can be compared with the alleged conditions existing today.

Well, Mr. Speaker, this list constitutes quite a number of serious charges that warrant close investigation. After some three weeks I was supplied with this answer and I think it is only fair to put it on the record in its entirety. I quote:

> On being advised by Defence Construction Limited of the complaint concerning certain conditions alleged to exist at the construction camp located at Moosonee, Ontario, the public health engineering division of my department—

That is the Minister of Labour's department.

> —contacted one of their engineers who was in the area on departmental business and requested an immediate examination.

This, of course, Mr. Speaker, is contrary to the picture which was given us at the time. We were led to believe the agreement was that Mr. Gordon Cushing, along with another official from the labour department plus one from the health department, would make an investigation of these serious charges. I continue:

> With the assistant project engineer of Defence Construction Limited and the project manager of the construction company in attendance, the examination was made on March 15, 1961, with special emphasis being given to complaints brought to our attention. Our public health engineer subsequently reported that no evidence was found to support the complaints.
>
> To be specific, all washrooms were exceptionally clean and free from obnoxious odours. In no instance were there more than two men allocated to a bedroom. Double bunk beds were noted in some bedrooms, but only lower bunks were being used. Considering the traffic involved floors were reasonably clean. At the time of the visit some bedroom floors were being washed by maintenance personnel. The main camp is heated by a central steam system and it was reported that this equipment had not been inoperative during the present winter. Two blankets were issued to each employee, but if desired he may request additional ones.
>
> In general, it was felt that the living conditions in this camp were very good and that the procedures followed to maintain them were satisfactory.

As I stated before, there were some 27 specific charges mentioned in this press release. Out of these 27 charges, two were admitted but it was stated they did not apply. Two charges were evaded. One of these had to do with the heating in the bunkhouse and in the showers. The reply was that the plant had not been inoperative, but that was not the charge at all. The charge was that the heating was inadequate. Two more charges were given very suspicious answers. These charges referred to the cleaning ad washing. The reply was that washrooms were exceptionally clean and that the floors were in the process of being washed while the investigation was being made. This statement reminds me of the good old army days when the brigadier came around on inspection. We had at least one week's notice so that we could get everything shipshape before he arrived.

Not one of the other 21 charges was answered or even mentioned. According to this report, the inspection was made but keeping in mind the specific charges that had been made this is either a very poor report of a good inspection or a good report of a very poor inspection. I do not know which. I believe these are serious charges. I do not know whether or not they are true. I think we should know if the charges are true. I feel that the inspection carried out according to the report given to me was certainly inadequate in the face of these serious charges. These charges should be proved or disproved. If these charges are wrong, certainly the man who made them should be condemned for making them. Until such time as the charges are proved false, this situation should be investigated. If these charges are true, some definite action should be taken.

Mr. J. A. Habel (Cochrane): Mr. Speaker, this matter is related to work being done in my riding, so I feel it is my duty to say a word about it. On March 14 I received a letter from Mr. Hegge and I submitted the brief which was sent along with the letter to the Minister of Labour (Mr. Starr). In the afternoon, in reply to a question of mine, he promised to investigate the matter.

I understand that the department has investigated the matter, although perhaps not to the satisfaction of the complainant or the hon. member for Timmins (Mr. Martin). However, I wish to inform this house that I have been a member of the Ontario legislature for 12 years and I would not take a back seat to the hon. member for Timmins when it comes to investigating these matters and seeing that employees work under fair conditions, whether it be in camps or construction companies.

The hon. member for Timmins has risen tonight and taken it upon himself to substantiate all the charges that have been made. This shows that the new socialist party has only one hope, which is to try to impress labour that they are the only ones who can talk on behalf of labour and on the protection of labour.

Mr. Speaker, there is one further point I should like to raise, and it concerns the use of information that cannot be substantiated.

If the hon. member for Timmins feels it is right for him to continue with this grievance tonight, even when he knows very well that there are very grave doubts as to many aspects of the complaints, I feel he is not helping these workers, who I hope are enjoying the privilege of working.

With regard to the wage of $1.85 an hour, the hon. member claimed that wages somewhere else were higher in other years. On the other hand, the people who were hired in this area were told by the employment office at Timmins that the rate was to be $1.85 an hour.

In his reply to me dated April 7, Mr. Hegge admitted in the second part of his letter that the rate of $1.85 an hour is the only rate quoted by the Timmins office of the national employment service. This shows that these workers knew they were going to work for $1.85 an hour. Therefore, it seems to me that a member of parliament should take his responsibility seriously enough to not depend on all kinds of innuendos and insinuations to try and prevent people from obtaining employment.

Mr. Speaker: Does the hon. member for Hull (Mr. Caron) wish to speak on the same matter?

Mr. Caron: Not on the same matter, Mr. Speaker.

Mr. Speaker: Does the hon. member for Timiskaming (Mr. Peters) wish to speak on the same matter?

Mr. Arnold Peters (Timiskaming): Yes, Mr. Speaker. I did not intend to speak on this grievance, but I think I should, having regard to what the hon. member for Cochrane (Mr. Habel) has said.

It may very well be that we in this corner are the only ones who will speak for labour—

Mr. Ricard: You have another guess coming to you.

Mr. Peters: —and if these charges are made and are to be substantiated, we will certainly take the responsibility for that.

I have talked to a number of people who work in that area and live in the riding of Timiskaming. Many of these complaints have been repeated to me. Unfortunately, it is a difficult proposition to go to Moosonee alone and investigate these complaints. However, I have read the report that was presented to the hon. member for Timmins (Mr. Martin). I agree that the report is not definite, but complaints have been made to me within the last two weeks concerning some of the conditions dealt with in this report, which report indicates that they do not exist.

The area of Moosonee is an exceptionally difficult one to get into. For this reason I am sure the hon. member for Timmins particularly stressed this matter of travel arrangements being made for someone who is going to be fired. Certainly consideration must be given to these people getting in and out of the area, because the train does not run every day; three days elapse between going into the area and getting out again. Therefore some consideration should be given to this aspect of the situation, if only because it is such a remote area.

I have been in the bunkhouses that we are discussing. They were closed for several years, with the exception of one that was kept open for the staff in the area. These bunkhouses are now being used again, and conditions cannot be as good as they should be.

I think any hon. member who receives complaints should do something about them. This is also true of the hon. member for Cochrane. If he is the labour representative that he says he is, or tries to imply, I think he has the obligation to go to Moosonee—not I, and not the hon. member for Timmins—because it is in his riding. The hon. member has an obligation to go into Moosonee and investigate this matter. It is a difficult trip; it is 150 miles up and 150 miles back; but the hon. member for Cochrane has the obligation to do that. If he does not show this interest, I think he has very little right to rise and attack another hon. member for having brought this matter again to the attention of the government.

In my opinion the Minister of Labour (Mr. Starr) should investigate this problem. He should investigate it by sending officials to the area and the officials should not necessarily see the company and have a planned tour. It is almost impossible to get into Moosonee as it is without the company knowing about it, because unless you fly in you have to go to the railway to make arrangements to go there. You have to notify the information director of the railway and arrange for accommodation in Moosonee, because the railway owns the only lodge in that community. Therefore it is almost impossible to go in on a surprise visit.

I think the minister should give full consideration to these charges. He should send a representative of his department into the area. If the prevailing rates are not in accordance with the rates that are being paid in other instances for this type of job in an isolation posting, and if the job requirements are not being met, I think the government has a right to demand from the contractor that wages and conditions be raised to a suitable level.

Mr. Regier: Where is the minister?

Mr. Peters: I am not responsible for the minister, and I am not particularly responsible for this grievance. However, I have talked to some of the constituents in my area who are working there, who have told me that conditions are not as good as they should be.

We agree that there has to be some leeway in the type of accommodation that is available in that area, but I point out that one of the other companies in the locality has very good bunkhouses.

The bunkhouses under discussion are very old and are in bad shape. They have not been used to any extent for some years. They have outside, steam heating that runs between one building and another, and in temperatures of between 40 to 50 degrees below zero it is quite legitimate that complaints should be registered against these conditions.

I am surprised that we should be asked to accept a report which indicates, not that the heating is not sufficient but that it had never been shut off for a period of a year. In my opinion that does not mean very much. If it is not adequate it might as well be shut off, because it will probably be very uncomfortable living in this type of quarters.

Again I repeat that if workers across the country have to turn to the C.C.F. and the New Party entirely to handle the type of complaints we have received from Moosonee, we will make every effort to see that justice is brought into this matter.

Mr. Frank McGee (York-Scarborough): Mr. Speaker, one thing has been made apparent tonight concerning the particular grievance raised first by the hon. member for Timmins (Mr. Martin) and later by the hon. member for Cochrane (Mr. Habel). If anything has been demonstrated tonight it has been the failure of the New Party, the C.C.F., or whatever they choose to call themselves, and the Liberal party to take an aggressive interest in their constituencies whether in the case of the hon. member for Cochrane (Mr. Habel) or his colleagues from the same area. In the face of the unhappy conditions which were described this evening by the hon. member for Timmins it seems to me that any member of parliament in that area who heard about incidents of that kind would have gone into them and examined them. If the people of that area had had the wisdom to elect a Progressive Conservative member this type of thing would have been investigated and rectified.

Mr. Peters: Is the hon. member for York-Scarborough familiar with the situation in which this problem was raised many months ago? The government was asked to make an investigation into it and it is only recently that the results of the investigation have indicated the unfortunate situation which now exists.

Mr. Argue: What about the mess at Scarborough?

Mr. McGee: To reply to the first question first, I have taken the trouble since this grievance was made to examine *Hansard*. I listened most carefully, as I always do, to the hon. member for Timmins, and if the New Party has this monopoly of concern for the working man—

Mr. Speaker: I think the hon. member has departed somewhat from the grievance, as have one or two others who have spoken. If the hon. member for Burnaby-Coquitlam (Mr. Regier) has risen on the same matter as the hon. member for York-Scarborough he might as well save his time.

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to assure the house that any member of this group will always take up any complaint regardless of the constituency in which it might originate. We consider that as members of this house we are responsible to the whole nation and that we are expected to do what we can on behalf of all the people of Canada.

However, I should like to place on record my sincere regret that after the member for Timmins had risen and announced his complaint the Minister of Labour (Mr. Starr) should have deemed it advisable to leave the house and has not even been represented by his parliamentary secretary. I should like to place it on record that both of them are absent.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I had, of course, no previous knowledge of the matters which would be raised nor have I any definite knowledge of the circumstances which surround the absence of the two members referred to, but I do know that the Minister of Labour was required to leave the house tonight to go, I am told, on official business to the United States. I take exception to the inference as to the cause of his absence made by an uninformed member of this house.

Mr. Regier: I would have the hon. lady know that I am very adequately informed as to the situation in Moosonee, and I regret that in the absence of the minister it was not deemed advisable to at least have him represented by his parliamentary secretary.

UNEMPLOYMENT—GOVERNMENT REPLY TO DELEGATION

Mr. Alexis Caron (Hull): Yesterday around one thousand unemployed marched in Ottawa to meet the cabinet and present a brief to them. I must first of all congratulate the unemployed who came to Ottawa on the orderly manner in which they conducted themselves. They presented a very well prepared brief.

What was the reaction of the members of the cabinet present? First, who were present? There was the Minister of Labour (Mr. Starr), the Minister of Public Works (Mr. Walker), the Minister of Trade and Commerce (Mr. Hees), the Minister of Defence Production (Mr. O'Hurley), and the Minister of National Health and Welfare (Mr. Monteith). Out of the five only one was wise enough not to speak, knowing the government could or would not do much more. He was the Minister of Defence Production. He knew, after the declaration made by the Minister of Labour not very long ago, that very little more would be done and he was wise enough not to say a word during the meeting. His colleague had said, of course, that the government having done everything it could possibly do and the rest was in the hands of labour and management.

Mr. Monteith (Perth): Were you there?

Mr. Caron: I take that from the newspapers that reported the proceedings.

Mr. Monteith (Perth): You should have been there and you would have known he did speak.

Mr. Speaker: One at a time. Perhaps the hon. member would state his grievance so that we might understand it. I am not sure whether his grievance was that the ministers spoke or that one did not speak.

Mr. Caron: My grievance is that the unemployed came to Ottawa, they met the ministers, and the answers they received were not equal to the present situation being faced by the unemployed in Canada. That is my grievance. What did the Minister of Labour say or promise? First, according to the Montreal *Gazette,* the minister said—and this is in quotation marks:

> As a government, we don't want this problem. It is not the kind any government would want to perpetuate.

I certainly admit that no government would like to perpetuate the kind of situation we have presently in Canada. I want to be fair to the minister. I do not want to believe that the government is not doing the best it can in the present situation. But the best the government can do is not enough for us nor is it enough for the unemployed of this country. The government refused for three years to admit there was an unemployment problem. For three years it said there was no unemployment, and the Liberals and the other parties were criticized as spreaders of doom and gloom. The government declined to take action until the situation was out of hand and it could do little about it. Second, the government did not act with sufficient energy and daring when finally it did attempt to do something about the situation. The only thing it came out with was the winter works program.

Mr. Speaker: I do not wish to interrupt the hon. member unnecessarily but the grievance procedure at this stage permits of the expression of definite single items of grievance. It seems to me that the hon. member is allowing his grievance to range over the whole field of unemployment and action taken in that regard. I understood his grievance related to the reception given to a delegation in Ottawa yesterday. If the hon. member would confine himself to that he would be in order.

Mr. Caron: My intention is to speak about the way these men were received and the little which was given to them by way of promises by the government. I should like to speak about the way in which the government might have dealt with the matter while this delegation was here. This would cover the question of unemployment to a certain extent. These were unemployed men coming here and wanting help from the government —wanting to have the question settled once and for all by the government—and I think the grievance, put in that way, could be accepted by the Chair.

Mr. Speaker: I would like to draw the hon. member's attention to the grievance being discussed now, and that is, generally, the measures taken or not taken to meet the unemployment situation. We have had, in the course of the session, several debates which have been concluded and disposed of by the house, notably supply motion No. 2 and a motion under the heading of unemployment. There are four or five discussions listed which have all been concluded. I would think the hon. member would not be free to roam over the whole field of unemployment again. However, having initiated the grievance relating to the delegation of unemployed who were received here yesterday, he should confine his remarks to the reception of that delegation or any complaint he has to make in that respect.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I rise on a question of privilege at this point. I understand that it was said

in this house by the Minister of Citizenship and Immigration (Mrs. Fairclough) that I was on my way to Washington on official business. I would like to point out that as a matter of fact I was, but just before I left I was detained and requested to come back to the house because of allegations made by the hon. member for Burnaby-Coquitlam (Mr. Regier). I should like to make it perfectly clear that I was on my way but was called here urgently as I was leaving.

I have been listening with interest to the allegations now being made by the member for Hull (Mr. Caron).

Mr. McGee: Where is the hon. member for Burnaby-Coquitlam?

Mr. Caron: Mr. Speaker, in view of the fact that the brief which was presented to the cabinet covers a lot of ground, I think I should be allowed to refer to this question which was brought to the attention of the minister, and it was my intention to do so this evening. If I touch occasionally on subjects which may have been discussed, it is not my intention to press in that direction. I do so only to reach the main point which has to do with the brief presented to the minister.

What did the Minister of Labour promise? According to a report appearing in the Montreal *Gazette* of April 25, 1961 he is reported as saying:

Jobs before elections—

In view of the number of promises made and the number which have been carried out to date, God help us if we have to wait until everyone in Canada has a job before we have a general election. I am sure the population of Canada will not wait 25 years before we have a general election.

We have two different statements made by the Prime Minister (Mr. Diefenbaker) and the Minister of Public Works. The Minister of Public Works, as reported by the Toronto *Star*, said that a massive public works program is not the answer to unemployment because it is the most expensive way of solving the problem.

Mr. Ricard: Mr. Speaker, on a point of order, may I draw your attention to the fact that it is up to the member for Hull (Mr. Caron) to decide what speech he is going to make, but in doing so he must obey your ruling. You have called his attention to the fact that he had to stay within the boundaries of the grievance that he has chosen to put before the house, and I would ask that he confine himself to that subject and not wander all over.

Mr. Speaker: I understood that the hon. member for Hull was now discussing the answer given to the delegation by the Minister of Public Works. If he confines himself to what was said or done in the course of the reception of that delegation, I think he is in order.

Mr. Ricard: Mr. Speaker, with great respect for what you have said I do think he was discussing unemployment in raising old questions that have been discussed here time and time again. I feel he should confine himself to that subject which he has chosen to present.

Mr. Speaker: Perhaps the hon. member for Hull has discovered an ingenious way of introducing all of the unemployment issues by referring to speeches that have been made. If he will proceed in the light of what has been said, I am sure there will be no further difficulty.

Mr. Caron: Mr. Speaker, I am trying very hard to stay within the rules you have mentioned.

An hon. Member: You are not quite succeeding.

Mr. Caron: As I indicated, Mr. Speaker, the Minister of Public Works said that a massive public works program is the most expensive way of solving the problem of unemployment. However, on February 18, 1958 the Prime Minister announced that expenditures by government departments and agencies for works projects would total $280 million during the first quarter of 1958 and $1,185 million during the full calendar year. It is evident that the Prime Minister at that time did not think as the Minister of Public Works does now, that it is not a good way to solve the unemployment problem. He did not suggest at that time that it was the most expensive way of solving the problem but that it was one of the ways.

We have always felt that this was only one way of solving the problem. We feel that the problem could be solved through unemployment benefits, through public works projects, through a new system of education providing the unskilled with vocational training. We believe all these methods could be used as well as many more which I will mention later. We have always preached this policy and we intend to do so until we have the opportunity of meeting the Conservative party in a general election. I will say that I hope it will be as soon as possible.

Mr. Ricard: It will be too soon for you.

Mr. Starr: Mr. Speaker, on a point of order. I hope the hon. member will appreciate that in addition to the 23 measures we have taken so far to alleviate the unemployment situation, some $100 million have been spent on

public works projects this year, but we do not consider that this is the only remedy to the problem.

Mr. Speaker: Order. The hon. minister will have an opportunity to make his speech.

Mr. Caron: Even if what the minister has said is completely true the measures taken have not proved sufficient in the face of the present unemployment situation, and I feel that a good deal more should be done.

Mr. Speaker: I am sorry to interrupt the hon. member again but it does seem to me that he is in fact discussing the general issues of unemployment rather than the reception, by the ministers he has named, of that delegation yesterday. Unless there is something specific or peculiar in regard to a grievance arising out of that meeting I suggest he defer his discussion on the unemployment issue to a time when it is relevant.

Mr. Pickersgill: Mr. Speaker, I wonder whether I can say a word on this point of order which has been raised? As I listened to my friend, the hon. member for Hull (Mr. Caron), it seemed to me that he drew attention to the fact that the Minister of Public Works during the reception of this delegation yesterday said that public works projects represented the most expensive way of dealing with unemployment. My hon. friend was seeking to point out, as a grievance, that this was exactly the opposite to what—

Some hon. Members: Order.

Mr. Pickersgill: Perhaps some of the experts over here will speak to the point of order in their turn. I was saying that the hon. member for Hull was saying, as I understood him, in respect of his grievance, that this was an absolute contradiction of that which was promised to the people of Canada.

Mr. MacInnis: Mr. Speaker, on a point of order—

Mr. Speaker: The hon. member for Cape Breton South (Mr. MacInnis) must realize that a point of order is now being discussed, and he will—

Mr. MacInnis: Mr. Speaker, that is why I was raising the—

Mr. Speaker: Will the hon. member resume his seat. I am hearing the hon. member for Bonavista-Twillingate (Mr. Pickersgill) on a point of order as to the relevancy of the debate.

Mr. Pickersgill: Mr. Speaker, I was attempting to point out that the position taken by the government in relation to this delegation yesterday—I understand this is what was being pointed out by the hon. member for Hull—was exactly opposite to that position taken by the Prime Minister when he appealed to the people of Canada just before the last general election. Surely that is a specific enough point. Surely that is a grievance that those of us who represent the people of Canada have a perfect right to put forward in this house.

Mr. Campbell (Stormont): On a point of order—

Mr. Speaker: Hon. members seem to have lost their constituencies or their seats tonight. If the hon. member for Hull asserts that his grievance is the disparity between what was said yesterday and the Prime Minister's previous statement, well and good. He might proceed to discuss that as his grievance but he cannot cover the whole field of unemployment by picking out the various ministers who referred to measures for the relief of unemployment and then discussing those measures.

Mr. Caron: Mr. Speaker, I was carried away by the remarks made by the Minister of Labour. I admit I made a mistake; I apologize for it. I was trying to show that the answers given by the ministers were not the kind of answers which had been given at that time, and the only way I can do it is by proving with facts that they are not really up to standard with respect to the administration of this country at this time.

The Minister of Public Works made a supreme effort to help the marchers by offering two pick-and-shovel jobs, one in Hamilton and the other in Toronto. What a great help from a great heart. As a Frenchman said:

Une jolie fille ne peut donner que ce qu'elle a.

And I am not surprised that it was the only thing that the Minister of Public Works could offer to the delegation in Ottawa. The Minister of Trade and Commerce (Mr. Hees) was also there. What did he bring forward to help the situation? According to the Toronto *Star* again, he just accused the delegation of sneering at the productivity council. According to the Toronto *Star*, a minister of the United Church suggested the Minister of Trade and Commerce had accused the committee of begging for jobs when in fact, said the minister, the government has a responsibility to provide them with jobs. To prove this I will quote what the Prime Minister said in this house not this year but in a past year. I shall locate the quotation in a minute.

Mr. Monteith (Perth): The hon. member has another 25 minutes to find it.

Mr. Grafftey: Lamontagne broke his stapler.

Unemployment

Mr. Caron: I may not be in a position to quote exactly what the Prime Minister said, but in 1958, during a debate in this house, the Prime Minister said—

Mr. Monteith (Perth): From what page of *Hansard* is the hon. member quoting?

Mr. Caron: I will give you the page of *Hansard*. It is page 2149 of *Hansard* of 1955. I happen to be able to give this from memory.

Mr. Monteith (Perth): It was 1958 before.

Mr. Caron: Here it is exactly, page 2149 of the French version of *Hansard* of March 15, 1955. Here is what the Prime Minister said:

(Translation):

Over the past seven or eight years there have been recommendations by the national employment commission, the Sirois commission and others, that the dominion should assume responsibility for necessary relief to the employable unemployed. It has been generally suggested that the dominion should accept this obligation as part of any general settlement with the provinces.

Mr. Speaker, that is how the present Prime Minister, the then leader of the opposition, felt that the government should consider that question of relief in general.

Mr. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I rise on a point of order. The hon. member is discussing the question of unemployment in general, as can be ascertained by what he just said: "That is how we dealt with the question in general". A few moments ago, Mr. Speaker, you said that the hon. member should limit his remarks to a specific grievance, that is the welcome extended yesterday to the delegation.

(Translation):

Mr. Caron: Concerning this point of order—

(Text):

On the point of order raised by my hon. friend, I know he repeated exactly word for word what you said, sir, a while ago. I am trying very hard to keep within your ruling.

Mr. Speaker: The hon. member may be trying and I give him credit for that but he certainly is not being very successful. I think I shall have to hear another member.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I intend to follow the observations of my hon. friend from Hull very exactly and I do not intend to weary the house by repeating the headlines from the Montreal *Gazette* that some time before the government dares to have another election it would try to find jobs, although—

[Mr. Grafftey.]

Mr. Grafftey: The hon. member is out of order also.

Mr. Pickersgill: —only a year ago the same Minister of Labour went on television—and this is the grievance which my hon. friend brought up, that the reception given to those people yesterday was the precise opposite of what has been said by hon. gentlemen opposite—on the program "The Nation's Business" one night and said the depression was over and we were going to have another boom year in 1960, a year when unemployment went to the highest level it had been in 30-odd years. Also the Minister of Public Works says that a massive program of public works is the wrong way, the most expensive way, to provide employment. Well, sir, I think we had better see what those people got elected on.

Mr. Speaker: Order. I am sorry, I do not agree with the hon. member's view that the grievance which has been raised entitles hon. members to discuss the range of unemployment problems in the light of the past.

The grievance relates to the reception of a committee here yesterday and if those grievances have been exhausted I suggest we turn to other matters.

Mr. Pickersgill: Well, sir, I was pointing out that the reception was quite out of accord with what the unemployed had a right to expect on the basis of the terms on which an appeal was made to the people in the year 1958, which returned hon. gentlemen to the treasury benches. I say, sir, that those people who came here yesterday in this march were entitled to expect that the government would receive them and would say to them that they were going to do the kind of things that the government said before the election it intended to do, and we all remember. "Deficit or no deficit"—these were the words used—

Some hon. Members: Order.

Mr. Pickersgill: —the work would be provided.

Mr. Martineau: I rise on a point of order.

Mr. Speaker: I see the hon. member for Stormont. I take it he is rising on a point of order.

Mr. Campbell (Stormont): With all deference, might I suggest that the present speaker is just as incoherent and unintelligible as his predecessor and therefore we should hear from another member of the team.

Mr. Martineau: On the same point of order, I respectfully submit that the hon. member for Bonavista-Twillingate is trying to do in

an indirect way what Your Honour expressly stated was out of order, and I therefore think he should not proceed.

Mr. Pickersgill: On the point of order—

Mr. Speaker: Order. I think the hon. member who has the floor might proceed and we shall bear in mind what has been said.

Mr. Pickersgill: What I was seeking to do was to point out that the reception that was given yesterday to this delegation was completely out of accord with what these people had a right to expect having regard to the undertakings which were given on this precise subject by the leader of the government when he appealed to the people in 1958. I propose to demonstrate that point from the words of the Prime Minister which hon. gentlemen opposite seem anxious not to hear. I propose to put on record, in complete opposition to what was said yesterday, what was said by the Prime Minister at that time.

Mr. Speaker: I cannot, of course, indicate to the hon. member how he should make his speech but I think I would be correct in suggesting to him that he should first indicate the grievance arising out of yesterday's reception. If he wishes then to indicate wherein there is a grievance with respect to that reception, he might be right in proceeding, but my difficulty is that the hon. member seems to me to be reviewing a lot of statements about unemployment without connecting them with what was done yesterday.

Mr. Pickersgill: I referred at least twice, I think, to the statement made by the Minister of Public Works, a statement that a massive program of public works was not the way to deal with unemployment and was most expensive. As I was saying, it seems to me that any unemployed Canadian has a grievance and that we who represent the people and in my case, unfortunately, a very large number of persons who have the misfortune to be unemployed at the present time—

Mr. Starr: Have they not been able to fish yet?

Mr. Pickersgill: Not only have they not been able to fish but the commission for which the hon. gentleman is responsible is, as he knows, making it increasingly difficult for those people who cannot fish at this season of the year to take work as carpenters because of a ridiculous bureaucratic interpretation which has been placed on the law made by this parliament, an interpretation which was never placed on it before. The hon. gentleman knows very well to what I am referring. He knows very well why it is being done.

Mr. Starr: I know very well it is not true.

Mr. Pickersgill: I am afraid I would be departing from the grievance now before the house if I were encouraged by the interruptions of the Minister of Labour to refer to that matter, though it is another grievance on which I would be very happy to speak.

Mr. Speaker: Order. I trust that the hon. member who has the floor will be allowed to proceed.

Mr. Pickersgill: It is very difficult to proceed.

Mr. Starr: As long as he sticks to the truth.

Mr. Pickersgill: Hon. gentlemen opposite seem to have devised a new form of closure which makes it very difficult—

Mr. Starr: You are a master at closure.

Mr. Pickersgill: —for any member of the opposition to criticize the government—

Mr. Starr: You are a past master at closure.

Mr. Pickersgill: —with any freedom of speech.

Mr. Ricard: What are you doing now?

Mr. Speaker: Order. I feel that the hon. member who has the floor has just cause for complaint. It is impossible to proceed if members interrupt, particularly from their seats, and I trust that for the remaining minutes available to the hon. member to make his speech he will be given the appropriate hearing to which every hon. member is entitled.

Mr. Denis: Mr. Speaker, may I refer—

Some hon. Members: Closure, closure.

Mr. Ricard: Which one is going to speak?

Mr. Pickersgill: I just have one point to make and I am sure that what the hon. member for St. Denis has to say will be much more interesting than what I have to say. I should like to be allowed to make my point consecutively if it is at all possible, and I know it is very difficult for hon. gentlemen opposite to listen because nothing one can say in this house hurts them so much as to hear extracts read from the speeches that their own leader made before the 1958 election. I know they find it most distasteful. We can say anything else but the moment we pick up their leader's speeches and start to read them in the house they do their best to prevent them being repeated.

Mr. Ricard: Because you are out of order.

Mr. Pickersgill: I leave it to anyone to guess why. As I have said, the hon. member for Hull has pointed out that the Minister of

Public Works publicly repudiated the notion that public works should be used to relieve unemployment. But what did the Prime Minister say on February 24, 1958, in Cornwall? I draw this to the attention of the hon. member for Stormont (Mr. Campbell). He said:

> The Conservatives had launched a winter works program and were putting forward a huge public works program to take up some of the slack in unemployment.

That is what they were told before the election but they are told now after the election that public works are not a good means by which to deal with unemployment. But the Prime Minister went even further. With that fine restraint that the Prime Minister shows on the public platform, that moderation, that good sense and good judgment that he always shows in these circumstances, he went on to say:

> "We have acted."

The only way they acted, of course, was to dissolve parliament.

> "We are meeting unemployment. We have given young Canadians the hope. We have given them the vision."

"We have given them the vision." Unfortunately, sir—

Mr. Starr: Don't sneer.

Mr. Pickersgill: —all they got was the vision. That is all they got because the great billion dollar public works program of 1958 which was to end unemployment in this country was never carried out at all, as will be shown by the hon. member for Levis (Mr. Bourget) on an appropriate occasion. It was never carried out at all. It was just one of those many promises that were broken.

Mr. Speaker: Order.

Mr. Pickersgill: That is all I wish to say at this time.

Mr. O'Hurley: On a question of privilege, Mr. Speaker, I should like to set the record straight by telling the hon. member for Hull (Mr. Caron) that I was at the meeting yesterday, that there was one delegate from the province of Quebec who spoke French and that I was courteous enough to reply to him in French at the meeting yesterday morning. I want the hon. member for Hull to know that as I was at the meeting I certainly took part in the meeting in a courteous way and replied to the delegate from Montreal who spoke.

Mr. Denis: On a question of privilege—

Mr. O'Hurley: Just a minute.

Mr. Speaker: Order. Would the hon. member state his question of privilege?

Mr. Denis: Yes. I attended the Liberal meeting with the delegation at that time—

Some hon. Members: Oh, oh.

Mr. Ricard: Liberal meeting?

Mr. Speaker: Order. Would both hon. members resume their seats? The minister has the floor and the hon. member for St. Denis raises a question of privilege. If he has a question of privilege he must first state it.

Mr. Denis: Mr. Speaker, according to the minister, not a word in French was said in front of the delegation.

Mr. O'Hurley: On a point of order—

Mr. Speaker: Order. The hon. member is contradicting the other hon. member who has the floor and that does not raise a question of privilege. If he wants to make a speech he will have the opportunity in due course. In the meantime I have recognized the Minister of Defence Production.

Mr. O'Hurley: My point was to set the record clear. I was among the ministers who met the delegation yesterday morning. There was one delegate who spoke in French and the hon. member for Hull said that I was at the meeting and did not say anything. I want to say that this delegate spoke in French as he had a right to do and I replied to him in French in the name of the other ministers. I want to set the record clear.

Mr. Caron: On a question of privilege, Mr. Speaker, if I have offended the Minister of Defence Production I want to excuse myself because what I said was that he was the only wise one in that he did not speak. If he spoke, it is all right with me.

Mr. Azellus Denis (St. Denis): Mr. Speaker, in order to be in order I should like to refer to the pamphlet entitled "Submission to Right Honourable J. Diefenbaker and Cabinet, House of Commons, Ottawa"—

Mr. Speaker: Would the hon. member indicate whether he is rising on the same grievance?

Mr. Denis: Yes, the same grievance.

Mr. Speaker: That is, with regard to the delegation of yesterday?

Mr. Denis: As a matter of fact, I am referring to the submission made by this delegation, the same delegation which met the minister. I quote from page 2:

> "As long as I am in power, no person is going to suffer because of the inaction of the government." Chatham, March, 1958.

This statement was part of the submission and, so far as I am aware, no minister has answered that promise or that commitment

made by the present government. I think an answer should have been given to the delegation.

I should like to refer to page 12 of this submission where a reference is made to the winter works program.

Mr. Creaghan: I rise on a point of order, Mr. Speaker.

Mr. Pickersgill: Closure.

Mr. Creaghan: For the last half hour or so, we have been hearing a debate on a subject which you, Mr. Speaker, without any question, ruled out of order. I feel my point of order is a proper one. The opposition would be raising a proper grievance if the cabinet announced government policy yesterday to the press or to the organized marchers. My point of order is that government policy must be announced in the house when the house is in session and not to organized marchers. The opposition has no right to criticize the action of the government yesterday in not informing a group of marchers what it intends to do about this very serious problem.

Mr. Denis: I think, Mr. Speaker, you have ruled that as long as we speak about the delegation we are in order. This is the first time I have heard—

Mr. Speaker: Order. I am sorry I cannot accept what the hon. member for Westmorland raises as a point of order. It might be a matter of privilege if policy were announced, but that is not the subject matter of the grievance as I understand it. Would the hon. member proceed?

Mr. Denis: May I refer to page 12 of this submission where reference is made to the winter works program. There are three suggestions made by this national unemployment lobby committee to which the minister has not replied. I quote:

> In the first place, it is another example of government action that falls far short of the need—a mere drop in the bucket. It employs only a small fraction of the workers looking for jobs. The government's own unemployment figures prove this to the hilt.
>
> Second, the program offers only construction jobs. Not all the unemployed are construction workers, by a long shot. Most of them are not fitted for this kind of work, either by experience, skill or in many cases physical capacity.

Mr. Speaker: Order. The hon. member has read at length from the submission, I take it, of the delegation which is the subject matter of this discussion. The grievance, as I understand it, does not relate to the submission but to the conduct of the government; that is their responsibility. What was submitted is not the responsibility of the government and I suggest that if the hon. member is going to continue he might let the matter rest there and proceed to discuss the grievance itself.

Mr. Denis: I feel that an answer should have been given to the delegation while the ministers were present, but no word has been said about an answer.

Mr. Starr: I rise on a question of privilege at this time, Mr. Speaker. I spent a great deal of time going into this municipal winter works program in answer to this brief. I am very sorry indeed that the press did not print my remarks, but if the Liberal party is going to base its argument—

Mr. Speaker: Order. I have indicated to the hon. member who has the floor that he is out of order in continuing to read the document. He may take as his grievance the failure to answer the delegation, but he may not read at length from the document.

Mr. Denis: All I want to say, Mr. Speaker, is that this submission—

Mr. Pallett: I wonder if the hon. member would permit one question?

Mr. Denis: Certainly.

Mr. Pallett: Did the hon. member not hear the leader of the delegation state on television during the news broadcast at 11 o'clock last night that the Minister of Labour received them with sympathy and a genuine understanding of their problem? Is the hon. member aware of that?

Mr. Denis: These people are polite. We heard that the delegation had been received with sympathy. Of course, they were not going to fight each other. The minister had to be polite because he had nothing to offer them. The only thing he could do was to be polite.

However, I am talking about the winter works program. The delegation proved to the minister that this winter works program was only a crumb in so far as the relief of unemployment was concerned. The government should have told them, for instance, that it was going to see the provincial government in Quebec and make arrangements for sharing the cost of the winter works program, sharing not only the salaries—

Mr. Speaker: Order. In my view the hon. member is debating a matter which we have debated several times this session, namely the winter works program. Would he please return to the subject matter initiated by the hon. member for Hull.

Mr. Denis: Unfortunately, Mr. Speaker—

Mr. Speaker: I am sorry to interrupt the hon. member but it is ten o'clock. It being ten

o'clock, it is my duty pursuant to section 3 (f) of standing order 56, as provisionally amended, to interrupt these proceedings and put forthwith the question now before the house.

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

The estimates of the following departments were first taken up and entered for consideration:

DEPARTMENT OF DEFENCE PRODUCTION

67. Departmental administration, $9,574,385.

DEPARTMENT OF NATIONAL DEFENCE

232. Departmental administration, $3,455,378.

DEPARTMENT OF TRANSPORT

402. Departmental administration, $3,395,700.

Proceedings reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the business will be for tomorrow and the rest of the week?

Mr. Churchill: Tomorrow, in accordance with an announcement made last week and by agreement among the parties, we intend to commence a debate on external affairs which will continue through Wednesday and be concluded Thursday evening. On the order paper tomorrow, under notices of motion, will appear the motion in the name of the Secretary of State for External Affairs, as has been the custom in other years, transferring the estimates of that department to the committee on external affairs. This provides the vehicle for the two day debate.

I omitted to put this notice of motion in *Votes and Proceedings,* but I trust that the house will give consent to the procedure I have outlined for Wednesday and Thursday.

On Friday it is the intention to carry on with the estimates of the Department of Trade and Commerce.

Mr. Speaker: So there may be no difficulty tomorrow, it will be in order for the house to now give unanimous consent to an order. I suggest it be that the motion be permitted without appearing on the order paper; and furthermore, that it be regarded as relevant to introduce a general debate on external affairs on that motion. Does the house agree?

Some hon. Members: Agreed.

Mr. Speaker: And is it agreed that the limit of the debate be two days?

Some hon. Members: Agreed.

It being four minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

ANSWER TO QUESTION

The following answer, deposited with the Clerk of the house, is printed in the official report of debates pursuant to standing order 39:

PREVAILING RATES OF PAY, NATIONAL DEFENCE, TORONTO AREA

Question No. 189—**Mr. Argue:**

Question

What are the rates of pay for the following prevailing rates employees of the Department of National Defence in the Toronto area, and when did these rates come into effect: (a) plumbers (b) painters (c) motor mechanics (d) labourers?

Answer by: **Hon. Pierre Sevigny (Associate Minister of National Defence):**

(a) $3.14 per hour effective June 1, 1959.

(b) $2.41 per hour effective May 1, 1959.

(c) $2.02 per hour effective September 1, 1958.

(d) $1.74 per hour effective March 1, 1961.

APPENDIX

LAOS—DOCUMENTS RESPECTING CEASE FIRE ARRANGEMENTS

April 24, 1961

DEPARTMENT OF EXTERNAL AFFAIRS
CANADA

Message from the Co-Chairmen of the Geneva Conference on Indochina on the Cease Fire in Laos

The co-chairmen of the Geneva conference on Indo-China represented by the governments of the Soviet union and Great Britain are following with great concern the situation which has developed in Laos.

They proceed from the fact that if this situation is not changed the position in Laos may become a serious threat to peace and security in southeast Asia. They note at the same time that real conditions exist for normalising the situation in Laos in accordance with the national interests of the Laotian people on the basis of the Geneva agreements of 1954. The co-chairmen have in view the understanding already reached that an international conference to settle the Laotian problem is to be called in Geneva on the 12th May this year.

The co-chairmen call on all military authorities, parties and organizations in Laos to cease fire before the convening of the international conference on Laos and they call on appropriate representatives to enter into negotiations for concluding an agreement on questions connected with the cease fire.

The co-chairmen call on the people of Laos to co-operate with the international commission for supervision and control in Laos and to render it assistance when it arrives in the country on their instructions in exercising supervision and control over the cease fire.

The Minister for Foreign Affairs of Great Britain:
Home.

The Minister for Foreign Affairs of the Union of Soviet Socialist Republics:
A. Gromyko

April 24, 1961

DEPARTMENT OF EXTERNAL AFFAIRS
CANADA

Message from the Co-Chairmen of the Geneva Conference on Indo-China to the Countries Participating in the International Conference for the Settlement of the Laotian Question

The co-chairmen of the Geneva conference on Indo-China, represented by the governments of the Soviet union and Great Britain, have examined the situation which has developed in Laos and taken note that at present there exists real conditions for the normalisation of the situation in that country. They have in view that the governments of Burma, Cambodia, Canada, the Chinese People's Republic, the Democratic Republic of Vietnam, France, India, Laos, the Polish People's Republic, the Republic of Vietnam, Thailand, the Union of Soviet Socialist Republics, the United Kingdom and the United States of America, have expressed agreement to participate in an international conference which would have the character of the Geneva conference of 1954 with the broader membership proposed by the head of state of Cambodia, Prince Norodom Sihanouk, for the settlement of the Laotian problem.

The co-chairmen have addressed to all military authorities parties and organizations in Laos a call for a cease fire and for the carrying out by appropriate representatives of negotiations for concluding an agreement on questions connected with the cease fire and have also sent to the government of India a message with a request to convene in Delhi the international commission for supervision and control in Laos.

The co-chairmen express the hope that the government of Canada will send its delegation to the international conference on the Laotian question, which will be held in Geneva and will begin its work on the 12th

May this year. They have in view that the participating countries will be represented at the conference by ministers of foreign affairs.

The Minister for Foreign Affairs of Great Britain:
Home

The Minister for Foreign Affairs of the Union of Soviet Socialist Republics:
A. Gromyko

DEPARTMENT OF EXTERNAL AFFAIRS CANADA

April 24, 1961

Message From the Co-Chairmen of the Geneva Conference on Indo-China to the Government of India on Convening the International Commission for Supervision and Control in Laos

The co-chairmen of the Geneva conference on Indo-China represented by the governments of the Soviet union and Great Britain are following with great concern the situation which has developed in Laos.

They note that real conditions exist for normalising the situation in Laos in accordance with the national interests of the Laotian people on the basis of the Geneva agreements of 1954. They have in view the understanding already reached that an international conference for settling the Laotian problem is to be called in Geneva on 12th May this year.

The co-chairmen have addressed to all military authorities, parties and organizations in Laos a call for a cease fire and for the carrying out by appropriate representatives of negotiations for concluding an agreement on questions connected with the cease fire.

The co-chairmen propose to the government of India that it should convene in Delhi the international commission for supervision and control in Laos. They have in view that the commission will discuss the question of the tasks and functions which should be allotted to it after the cease fire in Laos and will present an appropriate report to the co-chairmen who will consider the commission's report and give it directions on going to Laos to carry out the work of controlling the cease fire.

The co-chairmen in their message on the cease fire in Laos called upon the population of Laos to co-operate with the international commission for supervision and control in Laos when it arrives in the country on their instructions and to render it assistance in exercising supervision and control over the cease fire.

The co-chairmen are sending a copy of this message to the other two members of the international commission for supervision and control in Laos—the governments of the Polish People's Republic and of Canada.

The Minister for Foreign Affairs of Great Britain:
Home.

The Minister for Foreign Affairs of the Union of Soviet Socialist Republics:
A. Gromyko

HOUSE OF COMMONS

Wednesday, April 26, 1961

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

RESEARCH—CONCURRENCE IN SECOND REPORT OF SPECIAL COMMITTEE

Mr. J. W. Murphy (Lambton West) presented the second report of the special committee on research, and moved that the report be concurred in.

Motion agreed to.

PUBLIC ACCOUNTS—CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Alan Macnaughton (Mount Royal) moved:

That the second report of the standing committee on public accounts, presented to the house Wednesday, April 19, 1961, be now concurred in.

Motion agreed to.

STARRED QUESTIONS

SUBVERSIVE ACTIVITIES—PERSONS ASKED TO LEAVE CANADA

Question No. 252—**Mr. Hellyer:**

Since October 1957, has any person or persons been asked to leave Canada as a result of alleged espionage activities?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, it is not considered in the public interest to provide information about a matter of this kind.

PUBLIC SERVICE—PERSONNEL AND EMPLOYMENT COMPETITIONS

Question No. 262—**Mr. MacRae:**

1. What was the total number of personnel employed in the public service including civil servants, full time, part time, classified, and prevailing rate employees, as of March 31, 1960, and March 31, 1961?

2. How many competitions for employment were held in the fiscal year ended March 31, 1961?

3. How many applicants were there for these competitions?

Hon. Noel Dorion (Secretary of State): Since the answer to this question is rather lengthy, over a page, I wonder whether it could be included in the records of the house.

Mr. Speaker: The minister asks leave for his answer to be printed without being read. Is it the pleasure of the house to concur?

Some hon. Members: Agreed.

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

1.

	Persons Employed at End of Month	
	March, 1960	January, 1961* (preliminary)
Departmental branches, services and corporations		
Salaried employees	157,352	159,328
Prevailing rate employees	22,382	23,891
Ships' officers and crews	2,571	2,774
Casual employees and others	13,325	16,897
All employees, departmental branches, services and corporations	195,630	202,890
Agency corporations	9,455	9,179
Proprietary corporations	129,355	123,290
Other agencies	1,916	1,986
Total, all employees, federal government	336,356	337,345

*Latest figures available.

Source: federal government employment reports, dominion bureau of statistics.

Starred Questions

A special tabulation obtained from the dominion bureau of statistics at September, 1960 showed that out of a total of 157,013 salaried employees, there were 131,953 employees under the Civil Service Act. The number of employees under the act is not available monthly.

There are no figures, at present, available showing the numbers of full-time or part-time employees in the public service.

2. There were 5,323 open competitions and 233 interdepartmental competitions advertised by the civil service commission during the fiscal year ended March 31, 1961.

3. There were 183,848 applicants in open competitions and 5,917 in interdepartmental competitions.

BOUNDARY BAY AND PITT MEADOWS AIRPORT SITES

Question No. 267—**Mr. Taylor:**

1. Will the former Boundary Bay airport, now used by the defence department, be made available to the Department of Transport?
2. If not, has the government any plans to proceed with the development of Pitt Meadows?
3. If the Department of Transport intends to develop Pitt Meadows for light aircraft activities, would the department first allow representations to be made as to alternate sites or, as an alternative, could a public hearing be granted before development proceeds at Pitt Meadows?

Hon. Leon Balcer (Minister of Transport): The answer to part 1 is no.

As to part 2, the answer is yes.

Regarding part 3, the answer is that over a number of years my department has received and fully considered representations from a number of interested aviation industry groups and individuals for and against a number of sites in the Vancouver area which would accommodate light aircraft activities.

In virtually every case objections to development were raised by one interested group or another, and the department had to proceed accordingly on the basis of what could be done in the absence of any local unanimity as to what was desirable or feasible. If there are further representations to be made in this regard they could be sent at any time to me or to my department and they will receive full consideration, but I am not satisfied that there would be any advantage gained by holding a public hearing at this late date. Indeed, this would only serve to delay once more development which is already overdue.

UNEMPLOYMENT BENEFIT RECIPIENTS AND APPLICANTS

Question No. 269—**Mr. Deschatelets:**

1. What is the actual number of unemployed drawing unemployment benefits?
2. What is the latest figure showing the number of unemployed applicants at the national employment offices?

[Mr. Speaker.]

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): The answer to this question is as follows:

1. The number of active claims as of March 30, 1961, was 837,961.

2. The number of persons registered for employment at local offices of the national employment service on March 30, 1961, the latest date for which data are available, was 864,016.

PENSION PAYMENTS FOR MARCH, 1961

Question No. 270—**Mr. Carter:**

1. Were cheques to recipients of pensions under the Pension Act made out at the new rates for the month ended March 31?
2. If so, were they subsequently destroyed and replaced by new cheques at the old rate?

Hon. Gordon Churchill (Minister of Veterans Affairs): The answer to parts 1 and 2 is no, but the explanation is that the increase for the month of March was sent to the recipients by means of a supplemental cheque.

[*Later:*]

On the orders of the day:

Hon. Gordon Churchill (Minister of Veterans Affairs): I find it is necessary for me to make a correction in the answer I gave to question No. 270. I have just been informed that in anticipation of the passing of the legislation some cheques were made out at the new rate. Those cheques were destroyed and replaced by cheques at the old rate for the month of March. Supplementary cheques were subsequently issued to correct the increase which was allowed in March.

UNEMPLOYMENT INSURANCE FUND

Question No. 271—**Mr. McMillan:**

What was the net amount, excluding loans if any, in the unemployment insurance fund on March 31, 1961, with securities held (a) at par value (b) at the then or most recent market value?

Hon. Donald M. Fleming (Minister of Finance): (a) $166,145,500; (b) $135,771,703.12.

In addition securities having a par value of $82,772,000 have been pledged to the Department of Finance to cover loans of $67 million.

C.N.R. WORK INSTRUCTIONS, MOUNTAIN REGION

Question No. 273—**Mr. Howard:**

1. Since January 1, 1960, have any instructions or suggestions been given to any Canadian National Railways employees, specifically engine crews, working on passenger trains numbers 195 and 196 between Jasper, Alberta, and Prince Rupert, B.C., to the effect that such employees would be required to work through more than one subdivision (e.g., Prince Rupert to Smithers); and, if so, when and by what means of communication were such instructions or suggestions given, when was the change to come into effect, who was the

recipient of such instructions or suggestions by name and occupation, and what has been the result thereof?

2. In giving such instructions or suggestions, was any consideration given to the hazard involved in operating trains in a mountainous area, and, if so, what consideration?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the management of Canadian National Railways advise as follows:

1. Instructions or suggestions involving train operations are considered to be matters of internal management. As a matter of general information, no change has been made in the operation of passenger trains 195 and 196.

2. Answered by No. 1.

C.N.R. TRAIN WRECKS, JASPER, PRINCE RUPERT

Question No. 274—**Mr. Howard:**

1. Since January 1, 1959, have any train wrecks occurred along the Canadian National Railways between Jasper, Alberta, and Prince Rupert, B.C.?

2. If so, when did each such wreck occur, did any injury or loss of life result, and what was the nature of each such injury and the number of lives lost; did any damage to equipment result, and what specific pieces of equipment were involved and dollar value of the damage?

Hon. Leon Balcer (Minister of Transport): Order for return, Mr. Speaker.

Mr. Speaker: Order for return.

C.N.R. MOVEMENT OF DISPATCH FACILITIES, B.C.

Question No. 275—**Mr. Howard:**

In the process of moving the dispatch facilities of the Canadian National Railways from Smithers, B.C., to Prince George, B.C., will the assignments and rights to job entitlement of the present dispatch employees be protected, and, if so, in what way?

Hon. Leon Balcer (Minister of Transport): The management of Canadian National Railways advise as follows: The seniority provisions of the working agreement between the company and the employees' organization, the order of railroad telegraphers, will govern and apply.

C.N.R. PENSION PLAN CHANGE

Question No. 276—**Mr. Fisher:**

1. Did the Canadian National Railways consult with the Minister of Finance regarding the change in the pension plans from terminal to current funding in 1960?

2. If so, in what way?

3. If the change had not been made in 1960, and the terminal funding system used for that year, would the deficit of the C.N.R. have been $77,697,000 approximately, rather than the $67,497,000?

Hon. Donald M. Fleming (Minister of Finance): The answers are as follows:

1. Yes.

2. The Canadian National Railways consulted with the Minister of Finance indirectly through the Minister of Transport.

3. This is unlikely, for if the charges had been made on the former basis in 1960 they undoubtedly would have been different from the actual charges in 1959 and, if so, the use of the former basis would not have led to a deficit of $77,697,000.

C.N.R. LIABILITY TO PENSION FUND TRUSTEE

Question No. 277—**Mr. Fisher:**

What are the plans or methods by which the Canadian National Railways is to, or may, meet in future years the outstanding liability to the trustee of pension funds of $325,000,000?

Hon. Leon Balcer (Minister of Transport): The management of Canadian National Railways advise that if at any time the assets of the pension trust fund were insufficient to meet current liabilities the company would pay to the fund such sums as would be required.

POST OFFICE SITE, RESERVE MINES, N.S.

Question No. 278—**Mr. Argue:**

1. Has the Department of Public Works ever considered acquiring a specific property on Sydney road in Reserve Mines, Nova Scotia, for the purpose of erecting a post office?

2. If so, what is the lot number and size of property, who holds title to it, and for what purpose was it being used?

3. Were negotiations for the acquisition of this property for this purpose ever entered into?

4. If so, on what date were they begun and terminated, by whom, and with whom?

5. What was the price asked and other terms of any proposed agreement of sale?

6. Did the department become involved in any financial or legal commitment in regard to the purchase of this property?

7. If so, in what particular, and to what extent?

8. Was this transaction ever completed?

9. If so, on what date, what were the terms of the agreement of sale, and what amount of money has been paid for its purchase?

10. If not, were any penalties, financial or otherwise, imposed upon the department for withdrawing from these negotiations?

11. If so, what were their nature?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I have the answer here and it is rather lengthy. There are eleven parts altogether, and I would ask that the answer be made an order for return.

Mr. Speaker: Order for return.

NON-DENOMINATIONAL PUBLIC SCHOOL SYSTEM, QUE.—C.B.C. COVERAGE

Question No. 279—**Mr. Pigeon:**

1. Has the Canadian Broadcasting Corporation (French network) made any news coverage during the meeting held on Saturday, April 8, 1961, at the University of Montreal for the opening of a campaign in favour of the establishment of a non-denominational public school system?

2. If so, what has been the cost of such news coverage?

3. Are Mr. Maurice Blain, P.N., Miss Judith Jasmin, Messrs. Jacques McKay, Pierre Leboeuf, Gilles Rochette, Jean-Marie Bédard, Jacques Godbout, Jacques Guay, Guillaume de Maillard, Marcel

Starred Questions

Rioux, and Gérard Pelletier members of the staff, reporters or commentators of the Canadian Broadcasting Corporation?

4. If so, what are, in each case, their fees and the terms of their contracts?

5. Has the C.B.C. interviewed any of the above named persons following the meeting held on Saturday, April 8, 1961, at the University of Montreal?

6. If so, what are the names of such persons?

(Translation):

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, as the answer is rather lengthy and detailed, may I ask the assent of the house to have it printed in *Hansard*?

(Text):

Mr. Speaker: What is the extent of the reply, if I may inquire?

(Translation):

Mr. Lambert: Less than a page, but it is divided into many small and detailed answers.

(Text):

Mr. Speaker: Does the house agree that the answer be printed?

Some hon. Members: No.

Mr. Lambert: Order for return.

Mr. Speaker: It has been requested that this answer be made an order for return. Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: Order for return.

NON-DENOMINATIONAL PUBLIC SCHOOL SYSTEM, QUE.—NATIONAL FILM BOARD REPRESENTATION AT MEETING

Question No. 280—**Mr. Pigeon:**

1. Are Messrs. Jacques Godbout, Scott Symons, and Jean LeMoyne employed by the national film board?

2. If so, for how many years have they been so employed, and by whom were they recommended in each case?

3. What are their duties and working conditions (salary and remuneration)?

4. Did they represent the national film board at a meeting held at the University of Montreal for the opening of a campaign in favour of the establishment of a non-denominational public school system?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, the answers are as follows:

1. Mr. Jacques Godbout and Mr. Jean LeMoyne are employed by the national film board.

2. Mr. Godbout since July, 1958, and Mr. LeMoyne since July, 1959. The work of these writers is well known and the board did not receive any recommendations on their behalf.

3. Mr. Godbout is a writer-director earning $7,170 per annum. Mr. LeMoyne is a writer earning $7,920 per annum.

4. No.

[Mr. Pigeon.]

CENSUS COMMISSIONER, FORT WILLIAM

Question No. 281—**Mr. Badanai:**

1. Has a census commissioner been appointed for the electoral district of Fort William?

2. If so, who made the appointment, and on whose recommendation was the appointment made?

3. What are his qualifications and salary?

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): Mr. Speaker, the answers are as follows:

1. The census commissioners appointed for the electoral district of Fort William are: District A, Mr. John Bayko, R.R. No. 2, Fort William, Ontario; district B, Mr. K. Lloyd Kirk, 935 Mountain avenue, Fort William, Ontario; district C, Mr. E. Gordon Carson, 1811 McGregor avenue, Fort William, Ontario; district D, Mr. John E. Young, 223 Heron street, Fort William, Ontario.

2. The appointments were made by the Minister of Trade and Commerce following recommendations and interviews by the regional office representatives of the dominion bureau of statistics at Winnipeg.

3. Each of these commissioners met the following qualifications: a good education with subsequent professional or business experience in a supervisory capacity—

Mr. Hellyer: Good loyal Conservatives.

Mr. Morris: —intimate knowledge of the census district; proven executive and organizing ability; tact, good judgment and ability to deal with the public. The salary is $1,200.

SURPLUS MANPOWER AREAS—CLASSIFICATION BY MUNICIPALITIES

Question No. 282—**Mr. Pitman:**

1. How many municipalities have requested classification as surplus manpower areas?

2. What are the names of the municipalities requesting this classification?

3. How many municipalities have been accepted as surplus manpower areas?

4. What are the names of these municipalities?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): The answer is as follows:

1. The Department of Labour has received applications from 28 areas or localities for designation as surplus manpower areas or localities.

2. The names of the areas or localities requesting this classification are:

New Glasgow, Nova Scotia
Trenton, Nova Scotia
Amherst, Nova Scotia
Springhill, Nova Scotia
Louisbourg, Nova Scotia
Yarmouth, Nova Scotia
Guysborough county, Nova Scotia

St. Jerome, Quebec
Jacques Cartier, Quebec
Richmond, Quebec
Tracy, Quebec
Pointe Claire, Quebec
New Richmond, Quebec

Carberry, Manitoba

Port Elgin, New Brunswick
Sussex, New Brunswick
Sackville, New Brunswick

Campbellton, New Brunswick	County of Westmorland, New Brunswick
Milltown, New Brunswick	Cornwall, Ontario
Moncton, New Brunswick	Elliot Lake, Ontario
Grand Falls, New Brunswick	Fort William, Ontario
County of Saint John, New Brunswick	Windsor, Ontario
	Drumheller, Alberta

3. One area has been designated a surplus manpower area.

4. The area designated is the area served by the national employment service office at Cornwall, Ontario.

SMALL BUSINESS APPLICATIONS FOR LOANS, PETERBOROUGH

Question No. 283—**Mr. Pitman:**

1. How many applications for loans to small business enterprises have been received in the constituency of Peterborough since the passing of Bill C-40, an act respecting loans to proprietors of small business enterprises for the improvement and modernization of equipment and premises?
2. How many loans have been made under the above-mentioned legislation?
3. What was the total amount of the loans made?

Hon. Donald M. Fleming (Minister of Finance):

1. Information not available.
2. 334 as of March 31, 1961.
3. $2,034,628.

C.B.C. FOOTBALL BROADCASTS

Question No. 284—**Mr. Badanai:**

1. Have the Canadian Broadcasting Corporation solved their difficulties in regard to the rights to the Big Four football games this year?
2. Will CFCJ-TV of Port Arthur and Fort William carry these games?
3. If not, will the C.B.C. attempt to negotiate for the rights to telecast these games?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): I am informed by the Canadian Broadcasting Corporation as follows:

1. The rights to Big Four games have been purchased and are held by a Toronto television station.

2. Not having the rights to Big Four games, the corporation has made other commitments for its networks and its affiliates, of which CFCJ-TV is one.

3. The corporation has made three offers to purchase the rights but these have been refused and, further, the corporation has been advised that the rights are not for sale. It may be hoped that the door is not irrevocably closed.

PURCHASE OF CAR FERRY "CITY OF HAVANA"

Question No. 285—**Mr. Pickersgill:**

1. Has the government been negotiating for the purchase of the car ferry *City of Havana* from the West Indian Fruit and Steamship Company?
2. If so, for what purpose is the government seeking to acquire this vessel?
3. What is the result of the negotiations?

Hon. Leon Balcer (Minister of Transport): The answer to part 1 is no.

Parts 2 and 3 are consequently not applicable.

PUBLIC AFFAIRS INSTITUTE MEETING—C.B.C. SPONSORSHIP

Question No. 287—**Mr. Pigeon:**

1. Will the Canadian Broadcasting Corporation again sponsor, this year, the annual meeting of the Canadian institute on public affairs?
2. If not, on what grounds is the Canadian Broadcasting Corporation withdrawing its sponsorship?

(Translation):

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, in reply to that question, here is the information I have received from the C.B.C.

1. The C.B.C. does not sponsor the annual meeting of the Canadian institute of public affairs. It co-operates in broadcasting a certain number of the sessions and in paying the cost of such broadcasts.

2. In view of the foregoing explanation, the question of the C.B.C. revoking its sponsorship does not arise. It has always reserved the right to determine the extent of its co-operation with the institute or with any other social action organization.

The C.I.P.A. is free to discuss as its theme the relationship between the church and the French Canadian community. On the other hand, the C.B.C. is bound to see that such a matter is discussed in a thoroughly objective manner in its broadcasts, and that the most representative voices of French Canada are given an opportunity to be heard. It has to consider not only the specific balance of the discussions but also the general orientation of the conference, which inevitably goes beyond the part that is broadcast. Under the circumstances, the corporation this year prefers not to co-operate with the institute.

(Text):

QUESTIONS PASSED AS ORDERS FOR RETURNS

OLD CUSTOMS BUILDING, WINNIPEG—PURCHASE AND SALE

Question No. 182—**Mr. Argue:**

1. Was the old customs building, formerly standing on the corner of McDermot avenue and Main street in Winnipeg, at any time the property of the federal government?
2. If so, (a) to what department or agency of the government did it belong (b) during what years (c) for what purpose was it used since 1950?
3. Was this property at any time sold to a private individual or company?
4. If so, (a) on what date (b) to whom (c) what was the purchase price (d) why was it sold (e)

what was the appraised value of this property on the date of the sale (f) by whom was it sold?

5. Was this property ever bought by the federal government, or agency thereof, for the use of the Canadian wheat board?

6. If so, (a) for what purpose (b) on what date (c) from whom (d) for what price (e) by whom was the money paid, and what was its source (f) what was the appraised value of the property on that date of purchase?

OLD CUSTOMS BUILDING, WINNIPEG—DEMOLITION

Question No. 183—**Mr. Argue:**

1. Has the federal government, or any agency thereof, recently ordered the demolition of a property used by the Canadian wheat board at the corner of McDermot avenue and Main street in Winnipeg known as the old customs building?

2. If so, (a) by whom was the demolition ordered (b) for what reason (c) on what date (d) what company or companies did the wrecking (e) on what date did this work begin, and when was it finished (f) what is the estimated cost, and how much has been paid?

3. By what agency will it be paid?

4. Was an open tender called for this work?

5. If so, on what date, what were the terms it contained, and where was it advertised?

6. If not, why was this policy not followed?

7. Were any firms asked to bid on the contract for this demolition?

8. If so, (a) what firms (b) on what date (c) what were the terms of the contract (d) on what date did bids close (e) what was the amount of the bid each company submitted?

C.N.R. TRAIN WRECKS, JASPER-PRINCE RUPERT

Question No. 274—**Mr. Howard:**

1. Since January 1, 1959, have any train wrecks occurred along the Canadian National Railways between Jasper, Alberta, and Prince Rupert, B.C.?

2. If so, when did each such wreck occur, did any injury or loss of life result, and what was the nature of each injury and the number of lives lost; did any damage to equipment result, and what specific pieces of equipment were involved and dollar value of the damage?

POST OFFICE SITE, RESERVE MINES, N.S.

Question No. 278—**Mr. Argue:**

1. Has the Department of Public Works ever considered acquiring a specific property on Sydney road in Reserve Mines, Nova Scotia, for the purpose of erecting a post office?

2. If so, what is the lot number and size of property, who holds title to it, and for what purpose was it being used?

3. Were negotiations for the acquisition of this property for this purpose ever entered into?

4. If so, on what date were they begun and terminated, by whom, and with whom?

5. What was the price asked and other terms of any proposed agreement of sale?

6. Did the department become involved in any financial or legal commitment in regard to the purchase of this property?

7. If so, in what particular, and to what extent?

8. Was this transaction ever completed?

9. If so, on what date, what were the terms of the agreement of sale, and what amount of money has been paid for its purchase?

10. If not, were any penalties, financial or otherwise, imposed upon the department for withdrawing from these negotiations?

11. If so, what were their nature?

[Mr. Argue.]

NON-DENOMINATIONAL PUBLIC SCHOOL SYSTEM, QUE.—C.B.C. COVERAGE

Question No. 279—**Mr. Pigeon:**

1. Has the Canadian Broadcasting Corporation (French network) made any news coverage during the meeting held on Saturday, April 8, 1961, at the University of Montreal for the opening of a campaign in favour of the establishment of a non-denominational public school system?

2. If so, what has been the cost of such news coverage?

3. Are Mr. Maurice Blain, P.N., Miss Judith Jasmin, Messrs. Jacques McKay, Pierre Leboeuf, Gilles Rochette, Jean-Marie Bédard, Jacques Godbout, Jacques Guay, Guillaume de Maillard, Marcel Rioux, and Gérard Pelletier members of the staff, reporters or commentators of the Canadian Broadcasting Corporation?

4. If so, what are, in each case, their fees and the terms of their contracts?

5. Has the C.B.C. interviewed any of the above named persons following the meeting held on Saturday, April 8, 1961, at the University of Montreal?

6. If so, what are the names of such persons?

MOTIONS FOR PAPERS

MINERAL RIGHTS, BRANT COUNTY, ONT.

Motion No. 109—**Mr. Argue:**

For a copy of all correspondence, telegrams, tenders, and other documents exchanged between the Department of Northern Affairs and National Resources, and any company or person, since January 1, 1960, concerning mineral rights pertaining to east ½ lot 21, concession 3 in the township of Burford, county of Brant, Ontario.

Motion agreed to.

LABOUR CONDITIONS

THREATENED RAIL STRIKE—INQUIRY AS TO FURTHER TALKS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he could bring the house up to date on the efforts that are being made to avoid a railway strike at the expiration of the special legislation on May 15.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the other day I said that meetings would be taking place between the presidents of the railroads and the representatives of the unions. Those meetings are taking place. While negotiations are going on I am naturally not in a position to say more than that the meetings are being proceeded with and that every effort is being made to arrive at an acceptable agreement.

SASKATCHEWAN

RESERVATION ON LEGISLATION RESPECTING MINING CONTRACTS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wonder whether the Prime Minister could

bring the house up to date on what progress is being made in considering Bill No. 56 of the Saskatchewan legislature, whether a decision has been reached or when it might be expected.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I answered that question the other day and said the matter was receiving immediate attention by the cabinet and that there would not be any unnecessary delay. That answer still stands.

Mr. Argue: I wonder whether the Prime Minister is in a position to table the documents which were referred to him in this matter and which were inquired about by the Leader of the Opposition the other day. The Prime Minister said he would table them.

Mr. Diefenbaker: Mr. Speaker, my recollection is that the undertaking was subject to some qualification, that it was not an absolute one. At the time I said I saw no reason why they should not be tabled. I shall inquire to see what the present position is.

(Translation):

AIRPORTS

OTTAWA—INQUIRY AS TO SIGNS

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of Transport. As a result of my request, does the minister intend to have bilingual notices or posters set up both inside and outside the Ottawa airport, in order to eliminate the present unilingual notices?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I am pleased to inform the hon. member that all posters at the Ottawa airport have been bilingual for the last three weeks.

(Text):

NATIONAL PARKS

BANFF—POSSIBLE DAMAGE THROUGH USE FOR OLYMPIC GAMES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Northern Affairs and National Resources as a provincial park commissioner and therefore interested in the welfare of all parks. Has the minister received a telegram from Professor Cowan, head of the department of zoology, University of British Columbia, expressing the serious concern of many people over possible damage to Banff national park through development for use for the Olympic games? Will the minister inform the house whether he considers this development possible without damaging the park, or has the minister any other comments to make with respect to this protest?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, I received this morning from Professor Cowan the wire mentioned by the hon. member. As the hon. member knows, Banff has been selected by the Canadian winter Olympics committee as the most suitable site for the games in 1968. Canada's claim must now go before the international committee. Before Canada is selected—or perhaps I should be more positive and say when Canada is selected—for the winter games I assure the hon. member that the points raised by Professor Cowan will be kept in mind with regard to the necessary planning at Banff.

INCOME TAX

ACCEPTANCE OF RETURNS DELIVERED AFTER APRIL 30

On the orders of the day:

Mr. Alexis Caron (Hull): Mr. Speaker, may I direct a question to the Minister of National Revenue. This year April 30, the last day for filing income tax returns, falls on a Sunday. In view of the fact that most of the post offices in Canada are closed, and that if a return is sent in on Saturday evening it will not be stamped before May 1, does the minister intend to extend the period of grace until Monday?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, this is not the first year in which April 30 has fallen on a Sunday. This happens, I believe, every six or seven years, depending on various factors. The Department of National Revenue has always made arrangements so that the public are not prejudiced because of this fortuitous event.

(Translation):

CANADIAN NATIONAL RAILWAYS

CHICOUTIMI-QUEBEC—REPORTED INTENTION TO CANCEL TRAIN

On the orders of the day:

Mr. J. N. Tremblay (Roberval): Mr. Speaker, I should like to direct a question to the Minister of Transport. Does the minister know that the Canadian National Railways has decided to discontinue night passenger train service on the Chicoutimi-Quebec line as of April 30 next?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I have read somewhere in the press that there were rumours to that effect. I understand my hon. friend does not approve

of such action. Therefore, his representations will be relayed to the management of the Canadian National Railways.

(Text):

EXTERNAL AFFAIRS

CUBA—REPORTED OFFER OF CANADA TO ACT AS REFEREE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Secretary of State for External Affairs if he would care to comment on a story in the Toronto *Star* headlined "Canada Offers to Act as U.S.-Cuba Referee", the first sentence of which reads:

Canada is quietly preparing to sound out Havana and Washington on a policy of peaceful co-existence.

Hon. Howard C. Green (Secretary of State for External Affairs): This is another of those speculative stories. I find it pays very poor dividends to answer stories of this kind.

HOUSING

SECONDARY MORTGAGE MARKET—INQUIRY AS TO SALES

On the orders of the day:

Mr. W. H. McMillan (Welland): I wish to address to the Minister of Public Works a question which I asked him the other day. Can the minister say whether or not any of the mortgages held by Central Mortgage and Housing Corporation have been sold, the prices obtained, and so on?

Hon. D. J. Walker (Minister of Public Works): I thank the hon. member for reminding me of that question. There have been none sold.

Mr. J. R. Garland (Nipissing): I wish to address a question to the Minister of Public Works. In respect to the National Housing Act mortgages now being offered for sale which carry the old 98 per cent insurance, is it the intention of the government to increase the guarantee on these old mortgages to 100 per cent or to offer them for sale at a greater discount than the more attractive 100 per cent guaranteed mortgages?

Mr. Walker: I wish to thank the hon. member for having asked this question, and to say in reply that there are many regulations and matters of detail which have yet to be worked out. An announcement will be made to the house dealing with them all, I hope, at the same time.

[Mr. Balcer.]

INQUIRIES FOR RETURNS

CAUSEWAY CONSTRUCTION, P.E.I.-N.B.

On the orders or the day:

Hon. D. J. Walker (Minister of Public Works): May I take this opportunity to correct an answer I gave yesterday to the hon. member for Bonavista-Twillingate. I am reminded that it was only this morning that the correspondence was tabled, and I therefore correct my answer as reported at page 3966 of *Hansard*.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Can the minister say whether the correspondence has now been tabled?

Mr. Walker: It has been tabled.

RED RIVER FLOOD CONTROL

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I can ask the Minister of Northern Affairs and National Resources whether he has yet secured the concurrence of the government of Manitoba to the tabling of the correspondence with respect to the Red river flooding.

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): I am happy to assure the hon. member that I shall be able to satisfy his curiosity in this respect quite soon.

Mr. Pickersgill: Can the hon. gentleman say whether any progress has recently been made in these negotiations?

Mr. Dinsdale: Encouraging progress is being made.

(Translation):

CANADIAN BROADCASTING CORPORATION

REQUEST FOR TEXT OF PROGRAM MODERATED BY MEMBER FOR JACQUES CARTIER-LASALLE

On the orders of the day:

Mr. H. Pit Lessard (St. Henry): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. Would the minister be good enough to secure from the C.B.C. and to table the text of the program "Les idées en marche" carried over channel 2 on Sunday afternoon, April 23 last, where the hon. member for Jacques Cartier-Lasalle acted as moderator?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, if such a text does exist, the C.B.C. will be asked to send it to us and it will be tabled.

TRANSPORT

GOVERNMENT POLICY RESPECTING LOANS FOR SUBWAYS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Prime Minister if he would comment upon his statement that the subway loan for Toronto was refused because there was no enabling power for such a loan to be made, as set beside what was said by the Minister of Public Works—

Mr. Speaker: Order. I think the hon. member's question has all the earmarks of introducing a debate rather than seeking information.

Mr. Fisher: Could I phrase it in this way, then. In view of the indication by the Minister of Public Works that the reason for the refusal of the loan was that the government was afraid of being accused of hogging things for hogtown, could the Prime Minister say whether the government is considering legislation to allow a loan to be made to Toronto or Montreal or any other metropolitan district in respect of a subway?

Right Hon. J. G. Diefenbaker (Prime Minister): The letter in question speaks for itself. It was pointed out in the letter that the request made by the city of Toronto for loan assistance in connection with the building of a subway could not be granted because the provision of such assistance did not come within the law as it now exists.

As far as the second portion of the question is concerned, if and when any decision is made to bring legislation before the house to alter or amend the statute as it now stands, the house will, of course, become aware of it in due time.

BUSINESS OF THE HOUSE

LEGISLATION RESPECTING FEDERAL INCORPORATION OF CO-OPERATIVES

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Prime Minister. In view of the long-standing request of co-operative organizations for the introduction of legislation to provide for the federal incorporation of co-operatives, can the Prime Minister say whether such legislation will be introduced this session? Has the right hon. gentleman's attention been drawn to the statement of Mr. Ralph Staples, president of the co-operative union of Canada that the co-operatives are looking forward to such legislation being placed on the statute books within the next few months?

Inquiries of the Ministry

Right Hon. J. G. Diefenbaker (Prime Minister): Again, the only answer I can give is that when the government has a change or amendment of policy to announce in this or in any other regard the house will be made aware of it in the proper course.

Mr. Argue: I wonder if the Prime Minister would care to comment on the statement attributed to the Minister of Agriculture in *The Co-Operative Consumer* as follows:

Federal incorporation of co-ops is now being considered at the highest level of government.

Is this consideration being given?

Mr. Diefenbaker: That statement is not inconsistent with the answer I gave earlier.

HARBOURS

MOOSONEE, ONT.—INQUIRY AS TO JOINT SURVEY REPORT

On the orders of the day:

Mr. J. R. Garland (Nipissing): I wish to address a question to the Minister of Public Works. Can the minister say whether the engineering report undertaken early last year in connection with the proposed seaport at Moosonee is complete and when it will be made available?

Hon. D. J. Walker (Minister of Public Works): I shall be happy to accept that question as notice, Mr. Speaker.

TRADE

HONG KONG—VISIT BY MINISTER OF AGRICULTURE

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): I would like to address a question to the parliamentary secretary to the Minister of Agriculture. Has the hon. gentleman any report to make in connection with the visit or the impending visit of the Minister of Agriculture to Hong Kong?

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): I think that question would be more properly directed to the Prime Minister.

Right Hon. J. G. Diefenbaker (Prime Minister): The Minister of Agriculture is now en route to Hong Kong. His purpose—and it is a purpose which he has followed with determination and success—is to secure sales for Canadian grain. I think that is as far as I can go.

Mr. Hazen Argue (Assiniboia): Could the Prime Minister say whether this visit is in connection with negotiations for sales amounting to 80 million bushels, referred to by the Winnipeg *Free Press*?

Mr. Diefenbaker: The estimates or the observations of the hon. gentleman, or even of the *Free Press*, will not cause me to add anything more to what I have said.

EXTERNAL AFFAIRS

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

Hon. Howard C. Green (Secretary of State for External Affairs) moved:

That items numbered 76 to 110 inclusive, and item numbered 481, as listed in the main estimates 1961-62, relating to the Department of External Affairs, be withdrawn from the committee of supply and referred to the standing committee on external affairs, saving always the powers of the committee of supply in relation to the voting of public moneys.

He said: Mr. Speaker, these are very stirring days in the field of external affairs. As all members will realize, the dull moments are few and far between. Sometimes the news is bad and at other times it is good. Today I am sure we are all very pleased that the troubles through which our old friend and ally, the republic of France, has been going during the last week end, are over. News of the collapse last night of the insurgents in Algeria was received by the Canadian government with the greatest relief.

According to the latest reports the situation is returning to normal and the French government is now resuming full civilian and military control in Algiers.

President de Gaulle, the French government, and indeed the entire French people deserve high praise for their firmness and courage in the face of a challenge which could have had incalculable consequences, not only for the future of Algeria but for France itself, and which would have posed very serious problems for the North Atlantic alliance. France has emerged from this test stronger than before, and I hope it will now be possible to proceed to a peaceful solution of the Algerian issue.

In this debate on external affairs it is my hope that as many hon. members as possible will participate. There are a great number of members of this house who have had considerable experience in the field of foreign affairs. I need only refer to the large number who, down through the years, have rendered excellent service for Canada at the United Nations, either as delegates or as parliamentary observers. Another large group have gone abroad to attend meetings of the commonwealth parliamentary association. Still others have made a practice of attending the meetings of the NATO parliamentary organization. Another group have taken part in the meetings of the interparliamentary group which consists of 24 members of the Canadian Senate and House of Commons and a similar number from the United States Senate and House of Representatives. A few months ago Canadian members of parliament also attended meetings of the interparliamentary union. There is no good excuse for many members of this house if they fail to participate in this debate on the ground that they know nothing about external affairs. Any who have attended at least one of these meetings to which I have referred should have sufficient knowledge to be able to speak for perhaps ten minutes. The day has long since passed when the members of the Canadian House of Commons should take the attitude that foreign affairs problems are for someone else and not their particular concern.

The department last year, and I take full responsibility, was late in getting out the annual report. Mind you, we get out our report for the calendar year. We do not wait for a year from the end of the previous fiscal year to do so. Today we have available the report of the Department of External Affairs for the calendar year 1960, and I believe it will be of some help to those members who wish to participate in the debate. The members of the department are quite proud of this report. We believe it has a new look, and that it will not be as dry reading as some of the reports of past years have been.

Mr. Nowlan: It is unfortunately printed between red covers.

Mr. Green: I hear a remark made by my colleague the Minister of National Revenue to the effect that the report is printed within covers of a bad colour, but I point out that they are really not red but a sort of salmon pink.

In any event, my officials, as well as myself, are hoping for some useful suggestions from the members taking part in this debate. It cannot be gainsaid that an informed Canadian public opinion on foreign affairs is vital to the future greatness of our nation. This is one aspect of the whole picture which worries me, namely whether or not Canadian members of parliament, and the Canadian people generally, are following international affairs with sufficient care to give whatever government happens to be in charge of the affairs of this country the backing required for Canada to play the part she can play in the world of today. Make no mistake, no country in April of 1961 has a greater opportunity to take a part and play a worthy role in world affairs than Canada.

An hon. Member: Hear, hear.

Mr. Green: Let me put it this way. No country has a greater responsibility. Let us stress the feature of responsibility in world affairs rather than opportunity.

I go on, Mr. Speaker, to give the house a picture of the world situation as I see it today. In the first place—I think this is the most important factor—we have a great world organization actually functioning today, and I refer to the United Nations. Some people scoff at the United Nations, but when you go to New York and see the representatives of 99 nations meeting in that great world body, and when you realize the speed of communications and the fact that world opinion is quickly focused on any vital issue that comes up anywhere in the world, you cannot help feeling that in the United Nations we have the greatest world organization there has ever been. It makes mistakes. The amazing thing is that it does not make a great many more, because of necessity the transactions must be of such a complicated nature. It would repay members to watch events there and to consider that while the United Nations seems to arrive at the edge of the precipice every so often, and while it might appear that in a few days' time the whole organization would blow up, that day never comes.

Just within the last week there was a serious crisis over the financing of the United Nations effort in the Congo. For a few hours that situation looked very serious; in fact one key resolution failed to carry during the last night of the sitting. If things had rested there the result might have been that the United Nations would have been forced to recall its troops from the Congo. But good judgment prevailed; consideration of the subject was adjourned for an hour or so and delegates went out into the lounge. Perhaps they went into the bar, I do not know; I would not be there, but perhaps some were. In any event, the resolution was voted on again and carried.

Mr. Argue: Something helped.

Mr. Green: We cannot do that in the House of Commons; our rules and procedures are not quite so flexible. I do point out that this organization has gone through crisis after crisis, and I believe it will continue to do so and it will continue to grow, because without the United Nations our civilization would probably revert to savagery.

Another feature of the world situation today is the large number of new nations emerging on the scene. You know, I think it is a good thing for Canadians to see some of the bright sides of the world picture and not be concentrating only on the scare headlines. Today we have self-government spreading in the world at a rate which was never even imagined a few years ago. I was looking at a map of Africa this morning and counting up the sovereign states in that key continent. I think the number is 28. I may be out one or two because the maps are not always kept up to date, but a new nation is emerging at midnight tonight, namely Sierra Leone. It will not be very long until there are other new nations taking their place in the world from that continent of Africa.

These are some of the bright spots in the world picture.

There are, of course, some which are not so bright. One of those is that we are living in days of an uneasy coexistence, with the communist world on one side and the so-called western world on the other. I hasten to add that I do not believe any honest person can question the fact that the western grouping was formed as a defensive unit. It was not formed with the purpose of taking away anything from anybody, from the communist world or from anyone else; it was formed as a defensive grouping, and we should always keep that fact in mind.

In these two groups there are a comparatively small number of nations. The vast number of nations in the world today are in between. For example, practically all those nations on the continent of Africa are not committed to one side or the other. In fact one of their main purposes is to refuse to be committed either way. They want no part whatever of the cold war. They have too many problems of their own, building up their own nations, training the necessary leaders and all that sort of thing, to have any time for getting mixed up in the cold war; this is a fact which Canadians should remember.

Another dark spot in the world picture is that at the present time, the age in which we live, there is overwhelming destructive power. When you recall that the Soviet can hurl a missile with an atomic warhead 7,000 or 8,000 miles and land that missile within a mile of the target, and when you recall at the same time that there are now at sea Polaris submarines of the United States, each with many times the destructive power contained in all the bombs dropped in the second world war—when you realize these facts you understand that mankind today is in a position to destroy our whole civilization. Here again is another fact which Canadians in particular would do well not to forget, because we just happen to lie between the two great nuclear powers of the world, each of which has the capacity to destroy the other in a matter of hours; it does not need a very fertile imagination for a Canadian to realize

what would happen to his country if there should be a catastrophe of that kind.

What is Canada's role in this world? I suggest, Mr. Speaker, that there must be no escapism in Canada. As a people we have traditions of courage, of common sense and of religious faith. Our nation was not founded by people who were in the habit of wringing their hands, giving up and refusing to face facts no matter how unpleasant they might be.

This is not the character of the Canadian people. We must take our full part in world affairs and do it with a spirit of optimism. This is no day for a pessimist in world affairs. Anyone trying to deal with world problems today who is a pessimist is very likely to end up in a mental asylum. I feel that Canadians should face the world with optimism and also idealism, and this our people have been doing. Canadians from coast to coast look on world affairs from an idealistic point of view. How else can you explain the fact that there has been practically unanimous endorsation of the large programs of aid to the less fortunate peoples of the world?

Our people do not look at the world with envy. We envy no one his or her country. Canadians have had an unselfish approach, perhaps because we have so much land that we do not know what to do with it. If we had not had enough, we might have been just as greedy about taking over other people's land as some other countries have been; I do not suggest for a minute that we are any better fundamentally than any other people.

In addition, Mr. Speaker, in the world of today Canada must honour her commitments. We must stand by our allies. There are a great many Canadians gone before us who would be ashamed if they ever found that Canadians in 1961 were running out on their allies. This is not the Canadian character. When a nation fails to stand by its friends then it is not worthy of having friends, and none of us wants to put Canada in that position.

This is a day when Canada in world affairs can urge cool-headed action. It is so easy to become excited about some of these questions and start condemning some other nation, start saying things that will hurt the people of another nation, saying things which may have a far-reaching effect that is not for the good of Canada or of mankind. I suggest that we must always urge cool-headed action in dealing with world problems. We have a far wider influence in the world than most Canadians realize. I do not take any credit for that myself or on behalf of the government of which I am a member. I do not say that we are doing more than previous governments did but Canada has a very wide influence in world affairs.

Today I propose to review briefly and sketchily some of the ways in which Canadian efforts are being directed in dealing with various world problems. Before proceeding to do so, I feel that I must pay a tribute to the men and women serving Canada in the Department of External Affairs. They number about 2,000 and I believe it would be impossible to find a more devoted group than these officers and members of our department. Canada now has diplomatic relations with some 63 other countries, 19 in the western hemisphere, 22 in Europe, 7 in Africa and 15 in Asia including the Middle East, Far East and Australasia. This does not mean that we have 63 embassies because in some cases an ambassador will be representing Canada in two or in one case in four different countries; there are 16 countries to which our ambassadors from another country are accredited. I do not believe that any nation in the world has a finer group of foreign service officers today. These men have been carefully selected and trained. Our senior foreign service officers have vast experience, and in my time as foreign minister I have not found representatives of any other country who were any better.

We have been helped a great deal also by the type of ambassador sent here by other countries. We have a large number of embassies in Ottawa staffed by distinguished citizens and through their work here Canada has made a large number of friends. All over the world you run into ambassadors who have served in Ottawa and who have left as friends of Canada. It is very important that we appreciate this work being done here and also that we learn from them because each and every one of them has a great deal to offer.

Canadian efforts in the world of today have been directed in various fields. Perhaps the most important has been the field of disarmament. When I mention disarmament I mean not only the attempt to reach agreement on the reduction of arms but also the effort to bring about a cessation in the development of more fearsome weapons. There are two sides to the picture, cutting down existing weapons and preventing the invention and development of weapons which are becoming steadily more destructive.

From the start Canada has participated in disarmament negotiations commencing as far back as 1946 or 1947. Our most recent efforts in the negotiating field, were as a member of the ten-nation disarmament committee which was set up by the foreign ministers of

the United Kingdom, the United States, France and the Soviet union at Geneva in the summer of 1959.

As hon. members know, these negotiations began in the spring of 1960, but in June they were broken off when the five eastern members walked out. In August, following that walkout, Canada and the United States succeeded in bringing about a meeting of the disarmament commission of the United Nations which is composed of all the member nations.

At that meeting we got through a unanimous resolution calling for a resumption of the disarmament negotiations at the earliest possible date. Nothing had been done when the general assembly met in September and Canada then introduced a disarmament resolution, co-sponsored by Sweden and Norway, which in essence called for a prompt resumption of negotiations for the selection of a neutral as chairman and for co-operation of the United Nations with the negotiators through the disarmament commission. For example, we had in mind that the disarmament commission should set up ad hoc committees to assist the negotiators and also to check the work that they were doing. Eventually, we were able to get a total of 18 co-sponsors for that resolution.

However, the atmosphere at the United Nations last fall was very tense and that, Mr. Speaker, is putting it in mild language. It really was worse than that. It was very difficult to have agreement reached on any question, let alone on the subject of disarmament. We were not able to gain our objective before the adjournment in December. Fortunately during the session which ended last Saturday morning, there was far less tension. I cannot say whether or not this was because there had been a change of administration in the United States or because everyone was tired of that quarrelsome attitude just as we in this house get tired of such an atmosphere after a few hours and decide it might be better to be less pugnacious. There is a good deal of the element of human nature in the deliberations of the United Nations, just as there is in those of the Canadian House of Commons.

Whatever the cause, there has been far less tension in the United Nations during these recent weeks.

Eventually, the United States and the Soviet union, with a good deal of assistance and a good deal of prompting from other nations—I am not being immodest when I say Canada took a prominent part in this prompting and in these negotiations—decided that they would get together and try to arrange for the resumption of disarmament negotiations at about the end of July of this year. After all, these two nations are the key nations in any disarmament negotiations. They brought in a joint resolution before the general assembly which was passed unanimously. They were unable to agree on the composition of the negotiating group. One side had suggested that there should be an impartial chairman and vice chairman. The other side wanted five uncommitted countries added to the five eastern and the five western countries. Agreement was not finally reached, but I believe that in these intervening weeks that question can be worked out.

One fact which was of great help was that at the prime ministers' conference in London in March there was a statement issued on disarmament which was published as an annex to the final communiqué. Here was a statement agreed to by all the commonwealth prime ministers on this question of disarmament. It contained the following very significant and very helpful paragraph:

> The principal military powers should resume direct negotiations without delay in close contact with the United Nations, which is responsible for disarmament under the charter. Since peace is the concern of the whole world, other nations should also be associated with the disarmament negotiations, either directly or through some special machinery to be set up by the United Nations or by both means.

Canada is working now in preparation for the resumption of disarmament negotiations. As hon. members know Lieutenant General E. L. M. Burns is our adviser on this subject and he would be heading any Canadian delegation participating in disarmament talks. I believe there is good reason to expect real progress in the field of disarmament during the present year.

Hon. members will recall that Canada has taken a firm position on the question of nuclear tests. Time and again we have said we are against any further nuclear weapons tests. We continue to follow with the greatest attention the developments in the three-power negotiations which are taking place now in Geneva on this parallel question of finding a way to end further nuclear weapons tests. This conference is one which has never been broken up. It has been going on now for nearly three years, but has been adjourned from time to time. Agreement has been reached on many aspects of the problem but there has been no final agreement and yet, during the whole of that time, not one of those three participating nations has undertaken a nuclear test. There has been a voluntary moratorium during this intervening period. This moratorium has continued until today, in spite of the demands from people, for instance in the United States, that further tests are essential and that testing should be resumed.

Before the Christmas break in the recent session of the general assembly, the Canadian position on nuclear tests was once again reaffirmed by our votes in support of two resolutions asking to reinforce the present moratorium on nuclear weapons tests. Canadian opposition to testing is based not only on concern for the radiation hazard but also on its belief that the prevention of testing will inhibit the spread of nuclear weapons.

With this consideration in mind Canada also voted in the general assembly for an Irish proposal aimed at limiting the spread of nuclear weapons at the independent disposal of national governments. Consistent with the Canadian view that temporary measures are no substitute for disarmament —and this Irish resolution, of course, was a temporary measure—under effective international control, the Canadian vote on this resolution was explained as follows, and I am now quoting from the statement made by my parliamentary secretary the hon. member for Oxford (Mr. Nesbitt):

> Here again, however, I must emphasize the importance of the time factor. We have stressed over and over again the necessity of resuming negotiations on disarmament and we think that the threat of the further spread of nuclear weapons is one of the most important reasons for getting on with these negotiations. If no steps are taken toward disarmament—if, indeed, we do not have even a beginning to serious negotiations on this subject—no country will be content to sit by in the hope that goodwill alone will prevent the widespread dissemination of these weapons. For our part I must say quite clearly that Canada would not be able to accept this state of affairs for very long. We have worked and we will continue to work with every resource at our command to achieve an agreement on disarmament which would include provisions to deal with the frightening problem of nuclear weapons. If, however, there is no significant progress in this field in the immediate future, we will reconsider our position on the temporary measures which are proposed in this resolution.

Another field to which Canadian efforts have been directed is in the United Nations itself. Here, Mr. Speaker, may I say a word of praise for my parliamentary secretary, for the members of parliament, Senator Blois and other Canadians who have represented Canada during this last session. At the United Nations the work is hard. I would never admit that fact to the delegation when I am in New York but, now that they are all safely home, I must admit that they work very much harder there than we do here in Ottawa. The hours are long. Constantly coming up for consideration are resolutions and amendments. There are other delegations to canvass and there are receptions to attend, and they are also quite a hazard. This is a full-time job for anybody who represents Canada at the United Nations, not only as a delegate but also as an observer. There our people have worked as a team. There are no differences between the parties. We are all there as a Canadian team. This is the main reason why the Canadian delegation has been so successful during this last session.

For the first time we have had observers from the Senate. I must say that I have found them also to be extremely helpful. When there is a snap decision to be made in a complicated situation, it helps a great deal for a foreign affairs minister to be able to talk to an old friend from the Senate who has been in the House of Commons for many years, even though in another party, and to get his view as to what Canada should do. I have appreciated more than I can say the advice and the assistance that I have received during this last session from those Senators who have been in attendance.

At the United Nations we are in contact with 98 other delegations. It is a wonderful place to make friends and to sell Canada. I use the word "sell" in the constructive sense. I think this is one of the main jobs of the Canadian delegation. That job has been done very well during this last session.

We were greatly helped by the results of the commonwealth prime ministers' conference. It was amazing to see the reaction among the representatives from Africa and Asia after that conference. They, of course, had been following very closely what went on in London. They were extremely pleased with the stand taken by the Canadian Prime Minister, and our work with those delegations was made a great deal easier and a great deal more successful by reason of Canada's position on the question of apartheid which was so important at the prime ministers' conference.

One of our main problems at the United Nations has been that of the Congo. We are one of the three European and North American countries with any considerable number of troops in the Congo. Because of those troops Canada has been a member of the 18-nation Congo advisory committee. There are differences of opinion on that committee. The African nations do not always agree and neither do the nations of Asia. Our main purpose has been to keep this pot from boiling over, to try to reduce the friction in the Congo committee and to help the secretary general take action which would be effective.

As you know, Mr. Speaker, from the beginning of the session last September he has been under terrific attacks, and very unfair attacks they have been. Sometimes I wonder why any human being would feel obliged to take all the abuse that has been handed out to Mr. Hammarskjold in these last six or seven months. However, he is a great world statesman who is there doing a job for humanity.

I suppose the realization of this fact has been what has enabled him to withstand these attacks and to carry on in such a calm and efficient manner. Canada has felt that there should be no qualifications to our support for the secretary general while he was under attacks of this kind.

Another important feature of this last session has been the question of financing. Some countries will not pay their share. Communist bloc countries, for example, will pay nothing towards the expenses of the Congo operation. They pay nothing towards the cost of the United Nations emergency force. Other nations claim they are not able to pay. This has been one of the most difficult questions faced by the United Nations.

As one of its final acts in the early hours of last Saturday morning, the general assembly voted a resolution which approved the expenditure of $100 million for the Congo operation for the period January 1, 1961 to October 31, 1961, that is, for ten months. The new session will convene in September, so this financial arrangement straddles the intervening period. It opened an ad hoc account for the 1961 expenditures as it had done for the 1960 expenditures. At the same time it decided to apportion the $100 million as expenses of the organization in accordance with the scale of assessment for the regular budget. It provided for rebates of up to 80 per cent on some of the lowest assessments in an effort to assist some of the less-developed nations in meeting their financial obligations.

What this means is that the United States will be paying a very large part of the amount required. As hon. members will be aware from newspaper and radio reports, this resolution was finally adopted after a great deal of difficulty and after it had failed in its original form to secure the required two thirds majority in the plenary body. As I explained earlier in my remarks, there was a second vote and it carried.

In addition, the Canadian delegation tabled a draft resolution in the fifth committee which called for a thorough discussion at the sixteenth session, that is, the next one, of the administrative and budgetary procedures of the organization with a view to their improvement and to meeting the peace-keeping costs of the United Nations. Our draft resolution also provided for the appointment of a working group to study these procedures with particular reference to the establishment of a peace and security fund and a peace and security scale of assessments. It was put forward when it became evident that the sentiment at the resumed session was in favour of continuing to deal with the costs of the Congo operation on an ad hoc basis. Our object was to ensure that this approach would not be continued indefinitely and that serious consideration would be given to more permanent solutions to the organization's financial difficulties at the sixteenth session. We believe these expenses should be considered as part of the regular United Nations budget.

In committee this Canadian resolution was amended to take out the main feature. Our delegation found itself obliged to vote against its own resolution as altered by these unacceptable amendments. However, when the resolution came before the plenary body the objectionable amendments failed to get the two thirds vote required, so they went out and our own resolution as it had been originally drawn, with minor changes, got the two thirds vote necessary. Thus we finally succeeded in getting our way on this particular question.

There is much more that could be said about the session, but the hon. member for Oxford will be giving the house further details. Before I leave this subject I should like to make one plea on behalf of the United Nations. The Canadian government attaches a great deal of importance to continued development in Canada of an informed public opinion on United Nations matters. It is very much aware of, and grateful for, the efforts which are being made in this direction by a wide variety of groups and associations of dedicated Canadians. Special mention might be made of the activities of the United Nations association in Canada. That association, through its national and branch offices, has taken the lead in stimulating public interest in the work of the United Nations. It has done this in a variety of ways, through the distribution of information material, the regular publication of a number of pamphlets and assistance in the organization of student United Nations groups. These groups, by the way, have been very successful. I have attended two or three of their meetings myself and have been much impressed. In addition, lectures have been organized, university and school seminars arranged, and so on. The success of these efforts so far has been reflected in the greater awareness in Canada of the value of the United Nations not only to less fortunate people in other parts of the world but to Canadians as well. Such efforts deserve the full support of the Canadian people, and I suggest they deserve the full support of the members of this House of Commons.

I turn now to another field to which Canadian efforts have been directed. I have mentioned the commonwealth. I have already said something about the prime ministers' conference and about the effects of decisions made there on our daily contacts with Asian

and African nations. The addition of new members to this community continues. Sierra Leone will become a full-fledged member tomorrow and Tanganyika is to get its independence on December 28 of this year. Next year it is hoped the West Indies Federation will join the commonwealth family, and so the story unfolds. Various other countries will be coming into the commonwealth in the years that lie ahead.

Canada now has a very important part to play in the commonwealth. This has been one effect of the decision taken in London. We now have a closer working relationship with Asian and African members of the commonwealth than we had before, and we are in a preferred position to work with them in connection with problems arising not only within the commonwealth but in other parts of the world.

The Canadian government has placed great stress on the commonwealth scholarship plan. It was designed to enable 1,000 young graduates in various parts of the commonwealth to undertake a two-year course in another comonwealth nation. Canada is to provide for 250; our objective is 250 at all times studying here under this commonwealth plan. Because this is a two-year course we had only some 101 during the past year but there will be an additional number coming in the fall, and we think that at the end of the present fiscal year there will be in Canada about 230 such students from other parts of the commonwealth. I do not have the figure for the Canadians studying abroad under this scheme. It is not as large as the number coming here, but quite a significant number of young Canadians have benefited under the commonwealth scholarship plan.

In addition we have initiated a special commonwealth African aid program which is to cost Canada $10,500,000 spread over a period of three years. We have asked for a vote of $3,500,000 for this particular work during the present fiscal year. The aid will go to independent members of the commonwealth in Africa, and those who are approaching independence. Information on the needs of these countries is now being collected so that effective and useful programs can be carried out. We believe that assistance in education will be one of the greatest needs, and already requests have been received for a number of teachers in various fields.

In this connection there has been a very interesting development in that the province of Manitoba has decided to share in this work. In May of last year, Premier Roblin expressed a desire to co-operate with the federal government in providing teachers for underdeveloped commonwealth countries. We welcomed his offer, and a project in Ceylon was suggested as a pilot scheme. Three instructors are required for an institute of technology in Ceylon and an arrangement has now been worked out with the province of Manitoba under which it will recruit three teachers and pay their regular salaries amounting to $30,000 and the federal government will provide transportation, overseas bonuses and living allowances, costing from $20,000 to $25,000 per year. This federal government share will be part of our regular Colombo plan technical assistance program. We believe this is a very helpful development and we will be interested in entering into similar schemes with any of the other provincial governments.

Another field is that of the French-speaking African states. At the United Nations most of these states became members last year. They are very much interested in Canada because we are a bilingual country. They feel they have a closer kinship with us than with countries where French is not one of the official languages. In this work the hon. member for Charlevoix (Mr. Asselin), who was one of our delegates, has been particularly helpful, as well as the parliamentary observers from the province of Quebec. Their main task during this session has been to keep in touch with delegates from these French-speaking African countries. I believe that as a result a friendship has been built up there which has been of great value to Canada, and we hope of great value to these African nations as well.

Earlier this week I announced a scholarship plan involving $300,000 per year to provide for training in several French-speaking universities in Canada and for sending teachers abroad to these French-speaking nations in Africa. Some of these countries have put out feelers with regard to the establishment of diplomatic missions in Ottawa. We are very interested in establishing one or two missions in certain of these French-speaking countries in Africa. The ambassador to France, Mr. Pierre Dupuy, visited all of these French-speaking African countries in November and December and brought back a most interesting report in which he pointed out that they need, primarily, help in education and in health matters. We believe this is a field in which Canada can render efficient service, and one in which we can gain a large number of new friends.

Then we have the NATO field. I had intended to go into this at some length but I think perhaps I had better not do that today. There will be greater opportunity in this regard in the committee.

There is to be a NATO ministerial meeting in Oslo from May 8 to May 10, and I expect to head the Canadian delegation to that meeting. It will not be dealing at length with defence matters because the defence ministers are not attending, but there will be consideration given to long range planning for NATO. For example, there will be questions having to do with consultation and ways in which consultation between members of the alliance can be improved. Canada has always been very much concerned about this particular aspect of NATO activities. It is not easy to have adequate consultation among the representatives of 15 nations, but down through the years there has been built up an understanding and friendship among the representatives, and in my opinion, the methods of consultation are steadily improving.

There are different approaches by different nations and, as a matter of fact, some members of the alliance think that we should adopt a uniform policy on all questions regardless of whether or not they have to do directly with the NATO areas. Canada has never gone that far, our opinion being that there should be consultation on all questions which affect the members of the alliance but that it is not essential that they should adopt a bloc policy. This is particularly true with regard to the United Nations. We believe it would be unwise for the NATO nations to act as a bloc in the United Nations because there are many issues which do not directly affect the NATO alliance as a whole, and on which the views of different members of NATO vary. We believe it would be unwise to attempt to put NATO in a strait-jacket in that way.

In Oslo we shall also discuss the international situation generally. There are many problems arising in all parts of the world which will be considered, and our general approach is that Canada should do everything possible to strengthen NATO. In this connection we attach considerable importance to the efforts which are being made in the context of long term planning to define the main problems and objectives of the alliance with a view to charting a guide line for the future. At the same time we believe that in preparing for the future years we should not minimize or under-rate NATO's accomplishments, and in particular, the essential contribution it has made and continues to make to the preservation of world peace and security.

As a going concern NATO's future viability will depend largely on its ability to adapt itself to a changing world; a world of emerging new nations and revitalized old ones. It has to face complex new challenges, political, economic, psychological, as well as military, which are continuing to develop.

One of the striking features of the world today is that the situations which pose a serious potential threat to world peace often arise in the peripheral areas of the globe, as for example, in the Congo and Laos.

Canada believes that to deal with such situations we must often rely on the activities of agency or peace-keeping machinery sponsored by or under the auspices of broadly-based organizations such as the United Nations. We consider that these peace-keeping activities are complementary to the efforts of the alliance to maintain world peace and security. Canada believes that the long term aims of the alliance can be furthered if all members are prepared to recognize the important role of those peace-keeping activities in the preservation of world peace and are willing to lend their full support.

During the debate there may be some discussion with regard to trade and economic matters and the role of NATO in that particular field. I believe that the objectives of the new organization for economic co-operation and development known as the O.E.C.D. are fully consistent with those embodied in article II of the North Atlantic treaty alliance. Indeed, the new organization reflects the continuing desire of NATO countries to develop closer and more intimate relations in the economic field and provides an opportunity to translate into concrete measures and achievement the aims of article II. NATO, however, continues to have a most important role to play in assessing the implications for the alliance of the economic developments and policies of the Sino-Soviet bloc and, through consultations, in developing the political will among NATO countries to find solutions for economic problems which threaten to weaken the alliance or which threaten to provide opportunities for the extension of communist influence. In the words of Mr. Spaak, NATO can and must serve as the "political conscience" of the Atlantic community of nations. We shall be doing our best to build up and promote activities of NATO in this field, although quite a large part of the field will be covered by this O.E.C.D.

With regard to NATO, I realize that my hon. friend from Assiniboia and his fellow members of the C.C.F. party are of the opinion that Canada should withdraw from this alliance. As he knows, the government does not agree with that suggestion. We feel it would be a great mistake for Canada to take a step of that kind. I merely point out to him that we have very worth-while support in the Canadian Labour Congress. I am just wondering how he is going to square his policy with the policy of the Canadian Labour Congress and of the so-called New party when it gets formed.

Mr. Herridge: You will be surprised.

Mr. Green: Representatives of the Canadian Labour Congress presented their brief to the government on February 2 of this year and on page 30, under the heading "Neutrality No Solution", we find the following:

> While looking toward world disarmament, the congress does not believe that Canada can make a contribution in this direction by unilateral disarmament or by pursuing a policy of armed or disarmed neutrality.

The brief goes on:

> For reasons geographic, economic and historical, Canada must work in concert with those nations which share her outlook and interests, while at all times preserving her own integrity and striving for a world in which blocs and alliances will be obsolete.

I would be very interested to hear the hon. member for Assiniboia or the hon. member for Kootenay West square these declarations of the Canadian Labour Congress with the statements of policy which have been made on behalf of the C.C.F. party on the question of whether or not Canada should give up her membership in the NATO organization.

Mr. Argue: I am not tied to the C.L.C., neither is this party.

Mr. Herridge: The British Columbia trade unions voted against our remaining in NATO.

Mr. Green: I really did not raise this subject to start an argument, but I see it got under somebody's skin.

Let me leave the old world and come back to the western hemisphere where we really belong. I should like to say a word or two about our relations with the United States and with the Latin American countries. Canada continues to be on a basis with the United States under which it is possible for us to consult on all problems of mutual interest and to do so in a most effective way. We have had the utmost co-operation from President Kennedy and from his secretary of state, Dean Rusk, and from Mr. Adlai Stevenson, the permanent representative of the United States at the United Nations. I am confident that it will be possible to continue working in this friendly effective way with the representatives of our great neighbour nation.

As hon. members know, we were successful in negotiating a treaty with the United States concerning the Columbia river. This was done after a great deal of time and effort had been expended. Now, of course, we are in a position where questions are being raised by the province of British Columbia which, of necessity, is involved in this whole transaction. This is not the place to go into that in any great detail; I merely point out these facts, Mr. Speaker. A deputy minister of the government of British Columbia sat in as one of the four Canadian negotiators. There was a joint ministerial committee consisting of ministers of the federal government and of the provincial government of British Columbia, engineers and lawyers and all types of officials who were required for work of this kind. Every word of the treaty was gone over with a magnifying glass and everybody was agreed. Before the treaty was signed British Columbia was satisfied that it was a good treaty. There was no question of any doubts.

Since the signing of the treaty many different road blocks have been thrown in the way. When I was last at the coast two or three weeks ago I even heard that the federal government was now on the spot; that it must go ahead and do this because we signed a treaty. Well, we are under no obligation until the treaty is passed in parliament. Until it is duly ratified we are under no obligation to go further, and the people who will suffer if this great co-operative scheme does not go through will not be the federal government. The people who will pay the piper will be those citizens of British Columbia who will not get the cheap power they would have got under the scheme or the developments that would have taken place if the installations were constructed. This could be the greatest work-producing project that there has ever been in western Canada, and all I wish to do is to make it perfectly clear that the fault for the failure of the project to materialize will not rest here at Ottawa but will be with our brethren in the provincial government in Victoria.

I should like to say a word about Latin America. As hon. members know, we have been very anxious to build up our relationship with the 20 republics of Latin America and we have met with considerable success in this regard. We now have diplomatic relations with all but two of the Latin American countries. Of course, in some cases there is double accreditation. For example, we are establishing a new embassy in Costa Rica and the ambassador to that country will also represent Canada in Nicaragua, Honduras and Panama. As I have said, we have diplomatic relations with all but two of the Latin American countries and in one of those two we have a trade mission.

There have been serious problems in connection with Cuba. As you know, Mr. Speaker, Canada has continued to maintain normal diplomatic and commercial relations with Cuba through these recent troubled months. In doing so, Canada has acted in a manner consistent with common international practice. No country except the United States has placed a comprehensive ban on trade with

Cuba and Canada has not had the same grounds as the United States for taking such action.

While Canadian businessmen have remained free to carry on peaceful trade with Cuba, the Canadian government has used existing regulations to prevent the export of strategic goods to that country. This is in keeping with Canada's general policy of prohibiting the export of military material to areas of tension anywhere in the world. The Canadian government has also seen to it that the United States embargo should not be evaded by transshipment through Canada. It has permitted the export to Cuba of only such United States goods as might be exported directly from the United States to Cuba.

These policies remain in force. As the Prime Minister recently pointed out, Canada's practice over the years has been to carry on normal relations with countries of a different philosophy.

I am sure members would be interested to know that Canada's exports to Cuba in November of last year amounted to $1.4 million compared with $1.7 million in November of 1959 while in December of last year our exports were $2.4 million compared with $1.4 million in the same month the year before. In each of these months last year the United States sold more than twice as much to Cuba as Canada did in spite of all the restrictions the Americans have imposed. For the whole of the year 1960 our exports to Cuba amounted to $13 million whereas in 1959 they were $15.1 million or $2.1 million higher than in 1960.

I might add with regard to Cuba that the government is sincerely hopeful that a peaceful solution will soon be found for the conflicts troubling Cuba. I am sure hon. members will join me in looking forward to the day when an independent Cuba, free of all outside pressures, will choose to resume its traditionally close relations with the nations of this hemisphere.

Mr. Martin (Essex East): Before the Secretary of State for External Affairs leaves this portion of his address, may I ask him whether he has anything to say about the new affirmation of the Monroe doctrine in view of the recent declaration by President Kennedy in this context?

Mr. Green: I thought the hon. member for Assiniboia (Mr. Argue) was asking me a question about that statement yesterday and I gave an answer to the effect that I was quite sure that the statement made by President Kennedy was not intended to apply to Canada. The relationship between Canada and the United States is covered by our obligations under NATO and in my opinion there is no question of this particular statement being made applicable to Canada.

I should like also to say a word about Chile. About a year ago, when the brave people of that country were suffering so terribly as a result of earthquakes, we had the opportunity to give them some help by supplying foodstuffs and air transportation, and in other ways. I think that these actions on our part have resulted in the building up of a very fine relationship between our two countries. Canada, of course, was doing only what any humane country would do. We were delighted to be able to help them. But they have shown great gratitude. Recently our ambassador to Chile had the opportunity to travel throughout the stricken area of southern Chile and there he was shown records of the distribution of Canadian flour to hundreds of needy persons. He found the most kindly feeling toward our country.

As another sequel to the airlift assistance we were able to give, the ambassador of Chile on April 20, on behalf of the Chilean air force, presented the Prime Minister with a plaque to commemorate the R.C.A.F.'s part in flying relief supplies to Chile. In the United Nations we found that Chile gave us help time and again. They were one of the first to co-sponsor our resolution on disarmament and we believe there has been a very fine friendship established between our two countries.

Hon. members may wonder what is the present position with regard to Canada joining the organization of American states. I have mentioned this question in many speeches during the last year. It has aroused a good deal of interest. Some branches of the Canadian institute of international affairs have undertaken to study the question and to let me know the results of their study. The policy of finding out from the Canadian people just what they think about this aspect of foreign policy is progressing very well. We are not yet in a position to make a decision as to whether or not Canada should join this organization. We took steps to send observers to the meeting of the organization of American states which was to have been held in Quito, Ecuador, next month. However, we received word today that the conference is to be postponed and I am not sure when it will be going ahead. It is gratifying to see in Canada the increasing interest in this question. I am wondering whether Canada is wise in adopting an isolationist policy with regard to the western hemisphere. However, that is part of the argument on one side.

I do suggest to hon. members that they give this whole question deep thought, and that they discuss it with their constituents. It

would be a big step in Canadian foreign policy if we were to join this western hemisphere organization. I think the decision should be taken only when it is fairly clear that the majority of the Canadian people are in favour of this being done.

The final field of activity toward which we are directing our attention is in the Pacific. Yesterday I announced that a call for a cease fire had been issued by the United Kingdom and the U.S.S.R. as co-chairmen of the Geneva conference of 1954. They had invited India, as chairman of the truce supervisory commission, to call the commission together in New Delhi. In addition, they called for a conference of 14 nations to be held in Geneva on May 12. If hon. members read these letters, they will observe that the first job of the commission, which is Canada's main concern, will be to discuss the question of the tasks and functions which should be allotted to the commission if there is a cease fire in Laos.

The commission is to hold these discussions in New Delhi, not in Laos, and then present an appropriate report to the co-chairmen, that is Russia and Great Britain, who will consider the commission's report and give the commission directions on going to Laos to carry out the work of controlling the cease fire. This is not a perfect scheme because, at the first, we are going to be working in New Delhi, a thousand miles or so away from Laos.

In addition, it is not clear just what the tasks of this commission will be if the cease fire should take place. We are hoping that there will be a cease fire promptly and that the commission can be sent into Laos promptly and can be sent in before the conference meets in Geneva on May 12. This is the intention, as explained by the United Kingdom, and I am hoping that things will work out in that way. Canada will do her full part. It is important that there should be peace in that part of Southeast Asia if for no other reason than that a war there might lead to war all over the world. We are in a position to make a contribution in the area, and we will be glad to do so.

Yesterday the hon. member for Essex East (Mr. Martin) made some noises which rather impressed me as indicating that he was going to have something to say about the commission in Laos having been deactivated in 1958. At that time the request was made by Prime Minister Souvanna Phouma, who is the key man in the picture today. He requested that the commission get out of Laos. The majority of the members, India and Canada, voted accordingly and the commission did get out of that country. The belief at the time was, of course, that a stable government had been established and that there would be no further need for that commission. I was very pleased to find that both the Leader of the Opposition (Mr. Pearson) and the hon. member for Essex East had approved of that course. I have the extract from *Hansard* right here to prove it if they dare to attack me on the subject this afternoon.

Mr. Pearson: What is this, intimidation?

Mr. Green: Perhaps this is a species of intimidation, but it is very helpful in the circumstances. This is an issue on which I am sure all members of the house are united, and I am hoping that Canada can make a worth-while contribution.

We are also in a very influential position across the Pacific by virtue of our participation in the Colombo plan. This has made us various friends in that area and Canada has an important voice in bringing about decisions across the Pacific which will be of general benefit to our nation as well as to the rest of the world.

I should like to say a final word about China. I feel quite sure that the hon. member for Assiniboia and his associates will be dealing with that subject in their remarks. I do not believe the Leader of the Opposition or the hon. member for Essex East will be very vocal about this particular question. During the Liberal convention last January a resolution was passed with regard to the entry of red China into the United Nations which advocated that Canada should no longer vote for a moratorium on the discussion of this question in the United Nations. This resolution, of course, did not go very far. While that particular procedure has been followed for some years, the introduction of the moratorium resolution has not prevented an effective debate on the real issue of the admission of red China. The step taken by the opposition in their convention does not go more than three or four inches ahead of the position which was adopted by the former government and which has been followed by the present government with regard to the discussion of the subject in the United Nations.

May I say, too, that the world does not stand still. Changes keep occurring everywhere, and certainly the question of red China is one of the most interesting and important questions now under consideration by the external affairs department. Everyone knows the policy we have adopted, and if and when there is a change in that policy it will be announced in the ordinary manner. One fact Canadians should remember is that there are a great many people living on Formosa who are native Formosans. No one is anxious to have them turned over to red

China. I think this would be a disastrous move to make, yet red China is not interested in recognition or entry into the United Nations unless her right to take over Formosa is accepted. This, of course, has been one of the very big obstacles in the way of taking steps to change the present situation. Eventually, the wishes of the people of Formosa will have to be an important factor. In considering this whole question I suggest that it would be wise for Canadians not to forget the important factor of Formosa in the whole picture.

I think I have never made such a long speech, Mr. Speaker, in my parliamentary career and I hope never to do it again. However, in conclusion may I say this. As hon. members know and as they will have found from this sketchy review of problems arising in all parts of the world, Canada is involved everywhere. In practically every part of the world Canada is involved in one way or another, to an extent and in such a manner that she can do something about every one of these problems. I suggest that this is a great challenge to the Canadian people. Whether we accept that challenge, whether we play our full part in world affairs—the part which is there to be played by Canada—will, of course, depend on the will of the Canadian people to participate, the idealism and optimism of the Canadian people and the sacrifices they are prepared to make.

I believe that Canada can render a service to mankind as a whole in the field of foreign affairs and, as the minister responsible for Canada's activities abroad, it will be my objective to do just that. I ask for the support of the members of the house, regardless of party, in bringing these facts to the attention of the Canadian people, thus helping to make it possible for the Canadian people to realize the challenge which faces them and to realize the opportunity for Canada to do something worth while in the world. If we make that attempt we shall be going a long way toward making our nation the type of nation we all think it should be.

Hon. Paul Martin (Essex East): Mr. Speaker, this is the first formal statement and the first one of any consequence in length that we have had from the Secretary of State for External Affairs (Mr. Green) since this session began last fall. Likewise, this is the first opportunity this house has had of discussing problems of the greatest moment that affect this country and other nations and peoples throughout the world, in what one cannot help but feel is one of its most critical periods.

The Secretary of State for External Affairs will not misunderstand me, I am sure, if I say at the outset that from his remarks today, I did not draw any appreciation of the extent of the deterioration or of the critical stage at which world affairs now seem to be. With much of what the minister has said there will, of course, be acceptance and concurrence. With some of the omissions, however, I think there will be regret in this house and throughout the country. The Secretary of State for External Affairs and the government as a whole I think should know that we in this party support the basic and fundamental policies which this government has carried out, generally speaking, in the United Nations and in NATO. Indeed, the Prime Minister (Mr. Diefenbaker), when he spoke at the general assembly in September of 1957, said that the policy of his government would be to support the general line taken by the former government in respect of the three corner stones of our foreign policy, namely our participation as a commonwealth member, our relationship with the United States and our membership in the United Nations and, as he might have added, in the North Atlantic Treaty Organization. However, having said that we give this general support, particularly at this extremely critical time—and I doubt whether we have ever discussed international affairs at a more critical time outside a period of war—this does not mean that we are to be denied the right to express disagreement with methods employed to achieve objectives in the field of foreign policy. There have been certain methods and certain attitudes taken by the government with which we cannot fully concur, and about which we regret today there has not been a full explanation, as I shall seek to indicate.

I join with the minister in affirming, as has my leader on many occasions, our support of the North Atlantic Treaty Organization, not because it is intended in any way at any time to be used for aggressive purposes but because, in the complicated and dangerous situation of our world, it is the only way we have of providing through human instrumentality against the dangers that face us now as perhaps never before.

We support the North Atlantic Treaty Organization and we join with the minister and with the government in affirming our belief that the North Atlantic Treaty Organization should be strengthened both in respect of its military purposes as well as in the realization of those sections with which we have been so vitally concerned, particularly article II, an article designed to promote the economic interests and the unity of the NATO

nations. Indeed, it will not be necessary for me to say that we support NATO as a necessary instrument at this time because few men in the world have done more first of all to bring about the North Atlantic Treaty Organization and then to improve it than has the Leader of the Opposition (Mr. Pearson). However. I do so today because of the attitude taken by those sitting to my immediate right.

I agree with the Secretary of State for External Affairs that it is encouraging that the Canadian Labour Congress, that great organization of labour, should take the view that in this difficult situation in human affairs Canada, in her own interests as well as in the interests of those nations which share basically her ideological approach, can do no less than combine with them in their efforts for peaceful and defence purposes.

However, Mr. Speaker, I should think that today we should want to address ourselves to what seems to be, on all fronts, a deterioration that should at least be described as causing the greatest concern to every man and woman in the world who values freedom and wishes to see it preserved. Can there be any doubt that this deterioration has taken place? I am, of course, not blaming the government or any government for this situation. I am simply pointing to the fact, one which demonstrates the power of what might be described as psychological warfare which the Soviet union and the so-called Chinese People's Republic, either alone or together, have been able to promote in concert with certain other nations.

I agree with the Secretary of State for External Affairs that we must abandon a role of pessimism. We must be optimistic, knowing that ultimately our point of view, or at least the tenets of the western world still persist in the rich shadows of western civilization, and are bound in the long run to emerge triumphant. But at the same time, when I join with him in refusing to be pessimistic I refuse to be unrealistic. Therefore we cannot but address ourselves to the ferment and turmoil in Africa and the perpetual crises within the United Nations, which hardly bear out in my judgment the assessment of its role in the last few weeks and its achievements last fall, made by the minister.

In the face of the ever-present challenge of Asia, in the face of the starkness of virtually every statistic calculated on a world basis, I find no occasion for failing to note at this time the dangerous unfolding of events in so far as they affect people who value human freedom and western civilization and those principles which are pertinent to western civilization but which are shared by so many other people in the world, people such as those in India, in other parts of the commonwealth, in Latin America, in the western world generally and in the United States; yes, and in Africa.

Then, when one thinks about the developments in Laos about which we heard an announcement yesterday, I find no justification for optimism with regard to that situation as I will later indicate. Certainly the events in the Caribbean, involving as they do the relationship of one country there with our closest neighbour, is not an occasion for satisfaction. I do, however, agree with the minister that the settlement in these recent hours in Algeria, restoring to France the integrity and the prestige which is hers, under the statesmanship and great leadership of General de Gaulle is a matter of deep satisfaction. But have we not in these last months moved from crisis to crisis, causing the western world and all men and women who love freedom to take serious note of events as they confront us?

The fact is that the free democracies now face a total challenge, from within by indifference to and the debasement of our values; from without by those communist forces which are bent on our destruction and which have at their disposal all the weapons of political, economic, ideological and military warfare. Moreover these national forces do not have to worry about the problem of unity with associated nations, a preoccupation which, as Mr. Macmillan pointed out in Boston the other day, faces the west. There can be no doubt we are facing an adversary which, whether we like it or not, is future-orientated, which has its goals clearly set out and which is working toward the attainment of those goals. Yet we in the west have perhaps given justification for the assertion which some astute observers have made that we may have lost our sense of the future, that we may be more concerned about adding to our material possessions than about refurbishing our spiritual ideals. It seems to me that we have not yet fully grasped the important fact that foreign affairs no longer exist separate from our daily lives. The events that are now going on in far away Laos, for instance, may affect each of us as individuals in spite of the agreement reached between the co-chairmen of the 1954 Geneva conference. Today the world looks small, and national borders, even iron curtains, appear insignificant from the vantage point of a man in space.

The total challenge to man calls for a total response. The role of political leadership in the west will be to bring home to the individuals in our democracies the realization that they are individually affected by this challenge. I strongly agree with the wise

words of one of the great economists of the English speaking world and one of the shrewd observers of international events, Barbara Ward, who in her recent book "India and the West" has written:

> Men do not win battles either of weapons or of ideas by remaining perpetually on the defensive. To want no more than to stop communism probably ensures that ultimately communism cannot be stopped. Far more important than any steps taken to lessen the threat or limit the pretensions of communism are the positive aims, policies and visions which the west wishes to achieve itself.

That is our task, and until we do orient ourselves to our goals and become articulate in their appraisal and in their appreciation, we may find it increasingly difficult to meet the challenge that is before us. We certainly shall not resolve it by overoptimism, by failure to pinpoint the difficulties or failure to use our capacity either as a nation or as a group of nations to meet the problem and the challenge, of course by pacific means.

The minister spoke of the agreement on Laos. No one who knows this situation will fail to appreciate the present significance of that country; that little nation of old Indo-China, in which it is situated is, indeed, a strategic area. Laos, along with Cambodia, Viet Nam, and North Viet Nam, may be equally the way, or the barrier, to the kind of penetration which would affect not only Burma and Thailand but that great Asian state, India, and other nations in the east. Developments in Laos have important consequences not only for them but for the peace of the world. This is so, because a decision as to the kind of world our children will inherit might well be determined by the millions of people in Asia and not exclusively by their more richly endowed brothers in other parts of the world, particularly in North America.

I believe this Laotian situation should be looked at realistically. The reactivation of the international supervisory commission was, of course, a wise decision to have taken, at long last. I want to say this: that the reactivation of the commission might well have taken place much earlier. It seems to me that Canada should have agreed to the request made months ago by India when she urged that this be done. Indeed, it was reported, although in fairness this was denied by the government, that the Indian government was presumed to have taken the view that Canada stood in the way of the reactivation of the commission. It is true the government has taken the position that the international supervisory commission could not be established in Laos unless the royal government agreed. I can say this, however, because I was in Laos in 1956 and talked to the then Prime Minister, Prince Souvanna Phouma, who thought that the international supervisory commission should cease its operations in Laos. However, the Canadian government at that time, along with its two colleagues on the commission, took the view that there was yet work to be done.

While one can understand how difficult it is for the commission to operate in the face of the reluctance of the host government to having the commission in its territories, we should not forget how the commission came into being and under what circumstances. It came into being as a result of an imposed settlement by the conference that was held in Geneva in 1954 for the purpose of keeping the peace between two dissident groups, as is the case today in the situation that presents itself in Viet Nam and North Viet Nam. In any event it seems to me that when the prime minister of India, months ago, urged the reactivation of the commission, we might well have acceded to the request of the Indian government at that time. I suspect we took another view particularly because of the view taken by the United States. I simply want to say that if that is the case, as I suspect and believe it is, the United States with its far-flung responsibilities, in my judgment, seriously misinterpreted the situation in 1956. It has now agreed to the formation in Laos of a government of a complexion which it refused in 1956.

Meanwhile, there has been civil strife, and the communist forces supported by the Soviet union, by North Viet Nam, and by communist China, has acquired a supremacy over a much wider area than was the situation when there was a cease fire and when the commission was in operation in November, 1956. I trust that the commission now carrying on most of its operations in Delhi, as I understand from the minister, will be able to determine that a cease fire has in fact taken place so that there can be a conference.

I hope that I will not be accused of pessimism but I suggest that this is one more instance where the communist world has been able, by a process of attrition, to increase its sphere of influence and its sphere of control. That will be a matter of the greatest consequence to countries with whom we have so much in common, like India, whose integrity and security is so greatly dependent upon events in that part of the world, as we know from the aggression that took place in Tibet.

The minister is going to go to that conference and I think he has made a wise decision. He will be given the opportunity there of meeting personalities with whom we have no formal or official association in the United

Nations. He will be able to make his assessment of those personalities and, undoubtedly, there will be value derived from the opportunity which will be then presented, as indeed was the case when the Leader of the Opposition had a similar opportunity and carried out a responsibility in an equally important field in 1954 when he attended the important discussions on Korea in Geneva.

The situation in Laos is one incident of concern. I hope the proposed solution will work out and that there will be peace. I hope that Laos will not now become a stepping stone for further aggression on the part of those who want to extend their spheres of influence. I trust there will be no prejudice to those nations whose participation in these events is of great consequence, who want to avoid war and who want to preserve their freedom. Of course, I have in mind particularly, as I have already noted, India, whose leadership and influence, in my judgment, in that area, has been of the greatest value and consequence. If there are any achievments of which the present Leader of the Opposition may well be proud—I know there are many, and I say this because of my close association with him over a long period in these matters—his view that Canada must ever understand the peculiar situation that confronted India at a time particularly when there was great misunderstanding of India's role, is one that will be appreciated and remembered.

We must not under any circumstance or at any time, it seems to me, lose the confidence of India and particularly of its prime minister. There have been occasions—there were last year at the general assembly of the United Nations, as well as in regard to this matter of Laos—when differences between India and Canada, were not, in my judgment, calculated to reach the constructive results which I think the situation demanded.

We have also the failure of the disarmament discussions, notwithstanding the optimism of the minister, and we are likely to see a recurrence of the difficulties in West and East Germany. We will move from these crises to other crises as the Leader of the Opposition said recently during a speech in Toronto, when he referred to the conclusions arrived at in the Moscow conference last November. The Leader of the Opposition quoted in that speech the resolution of the conference in Moscow. The portions he quoted read as follows:

> "Peaceful co-existence among states does not mean—a rejection of the class war—on the contrary it implies an intensification of the struggle of the working class and of all communist parties for the triumph of socialist ideas".

[Mr. Martin (Essex East).]

The Leader of the Opposition added the following statement of his own when he said:

> It was made clear that peace was not an end in itself. That end was the establishment of the communist system throughout the world.

There will be other situations which will test the statesmanship and capacity of the free nations including our country. I believe we have to state our goals, not because they are expedient but because they are right. The hon. minister has referred to foreign aid programs. I believe this is an area where we can demonstrate the true quality of the west. We should share our resources, to the extent that it is practical and desirable, with those nations, where literacy is low, where poverty is high, and where medical and health standards are inadequate, not because it is the political thing to do but because it is the right thing to do. Until we get ourselves into that frame of mind we will not have the vigour of soul that attends the dedication of those who, in my judgment, unwisely support the doctrine of dialetical materialism.

Mr. Stinson: I wonder whether the hon. member would permit a question before he leaves the subject of disarmament with which he has just been dealing? Would the hon. member tell the house what Canada should do in regard to disarmament which has not already been attempted?

Mr. Martin (Essex East): I will be coming to disarmament. I believe that Canada should do more than she has done. In the last eight months, basically Canada suggested certain actions of a procedural kind. The Leader of the Opposition, and others have taken the position that Canada should put forward substantive proposals which would likely capture the support of certain nations. We have suggested that the Scandinavian nations, countries like Brazil and Mexico and certain countries in Asia would likely support such an initiative. By itself this would not resolve the problem, because it must be resolved mainly by the Soviet union and the United States, but it would have possibly a persuasive effect on the great powers. This is what I think we should do, but I am going to deal more specifically with disarmament in a moment.

We have to recognize that we are confronted with a dangerous situation in the Caribbean. Yesterday, I think, the minister wisely said that there was a stage in international negotiations when, in the public interest, a government should not have to disclose the nature of particular negotiations. In a democratic society, of course, the end result of diplomatic effort must be made known to the public and to the world. That

is clear. I assume that the answer given yesterday by the Secretary of State for External Affairs to the hon. member for Assiniboia (Mr. Argue) was that those situations which have occurred in the Caribbean of direct relation to our neighbour, have provoked elucidations of opinion and representation from the government of Canada to the United States; that we have made our position known as to what we regard as a desirable way of dealing with such situations. At this time I am not going to press the minister beyond this. I am assuming that we have made our position known and that we are prepared to deal with the next step, which may or may not arise. Having in mind the unity that must prevail between freedom-loving nations at this time and what we conceive to involve not only nations on the American continent traditionally covered by the so-called Monroe doctrine concept, but as well all nations of the NATO alliance and, for that matter all nations of the world who want to see peace preserved, we will not hesitate to make our position known.

The minister spent more time on Chile than he did on Cuba. While he may have his reasons for that, I formed the judgment that possibly we do not fully agree on the urgency which this particular situation creates or seems to create at this time. I would have expected the minister, particularly in the face of this situation, to tell us more of the government's attitude with regard to Canadian participation in the organization of American states. Whatever may have been the reasons before or during world war II for Canada not joining the Pan-American union, the situation today, as I see it, is altogether different. I am now expressing only my own point of view. In this instance, I have no right to speak for anyone except myself, but I would point out to the minister that in 1943, as a private member, he advocated our entering the Pan-American union. Last summer he reaffirmed his personal support of the organization of American states, and his words will be found in *Hansard* of July 15, at page 6375, as follows:

> It might be that the time had now come for Canada to join this western hemisphere organization. I think it would be a step forward.

I want to say to the minister I do not think that in these matters a government must always wait for the expressed opinion of the people. In foreign affairs a government must fearlessly assume a position of leadership. In the light of its experience, and particularly because of the present situation, if the government feels that Canada could serve a useful purpose in that organization, then I say the government should come forward with a policy and the house will either accept or reject it. My own view would be that if the government came forward with that kind of proposal I would give it my support, because I believe the time may have come when we should be ready to sign the Bogota charter and deposit a Canadian instrument of ratification in the organization of American states offices in Washington.

It will be recalled that General Marshall, the secretary of state of the United States, at the end of the war adopted an attitude which did not prevail on the part of that country during the war, when he proposed that Canada could play a role in the organization of American states. In view of the developments that have taken place, and the fact that Soviet arms admittedly are in the possession of the Castro forces, and in view of other developments, without in any way wanting to interfere with the form of society or with the right of self-determination of any country, it seems to me that Canada might well give consideration as to whether or not she could play a useful role in this situation now.

It is true that in his first statement in this house the minister said that he did not want to play the role of honest broker. He modified that later; but it would have been interesting to receive from him, in the light of our friendly relations with the United States and our relations with Cuba some indication as to what Canada's role might be in this situation. In any event, this is a situation in which we as a North American power cannot fail to be interested. It is one with grave consequences. We might have expected from the minister today a more concise statement on the position of the government of Canada. For instance, we might have had some indication as to whether or not the government believes that the United States subscribes to the view stated by its president in 1956 when he said:

> There can be no peace without law. And there can be no law if we were to invoke one code of international conduct for those who oppose us and another for our friends.

These are matters of the greatest moment, and we should have no hesitation in discussing them with friends, and particularly with friends; for the very essence of friendship is the ability, and the opportunity presented, to have a frank discussion.

The minister spoke of the United Nations. I think that one of the great areas of tension and concern today is the United Nations. This is not what I gathered from what the minister had to say. The fact is that the United Nations is now faced with its most critical situation largely as a result of the determined policy of the Soviet union last fall to remove from the present secretary

general the powers that are inherent in article 99 of the charter of the United Nations, and of their determination to drive him from that important office.

We subscribe fully to the view stated by the minister that the United Nations is essential for the preservation of world order. If we take the view that there can be no national intervention in the affairs of states, then, of course, we must argue that there has to be some world collective security organization to provide legitimate intervention, whenever intervention does take place we believe, as the minister has implied, that it should be through the United Nations.

But in order to make effective the intervention of the United Nations in the Congo or in the Gaza strip or in any other area of the world, the United Nations itself has got to be effective. We must recognize again that the United Nations depends primarily for its effectiveness not necessarily on the unanimity or unity of the great powers. Such unanimity never existed, notwithstanding the anticipations at Dumbarton Oaks and at San Francisco. The United Nations, however, without the basic acceptance of the great powers, cannot be the effective organization it was intended to be.

I believe, with the minister, that the United Nations is the focal point. I believe unlike the minister, as I gathered from what he said, that today the United Nations is the focal point for most of our tensions. It certainly is far from a perfect body. It is clumsy, it is slow and in some cases it is cantankerous. But we must constantly battle criticisms of the United Nations which appear to castigate the institution, when in reality the criticisms should be directed at the imperfections of the member states.

The minister has referred to the situation in the Congo. The difficulties there of the United Nations and the secretary general arose first of all, of course, from the vagueness of some of the resolutions of the security council, perhaps deliberately designed by those who did not want to see an objective United Nations policy pursued in the Congo, because it did not conform to their national interests. We might as well admit that the experience in the Congo portrays a weakness in the United Nations police force, as it is at present constituted when the nations retain authority over their troops. As Secretary Rusk said, it is an unsatisfactory situation. He observed recently that the experience in the Congo suggests that we must turn once more to the possibility of constituting a permanent United Nations force specifically trained and equipped and held in readiness for immediate use.

I suggest that one of the most effective things Canada could do in addition to putting forward a substantive proposal in the field of disarmament would be to put forward, after careful preparatory work, a scheme for an effective United Nations force which must take its place in a disarmed world, if that should ever eventuate. Here is the kind of opportunity which Canada can pursue, and this may have been in the mind of the minister when he spoke of the great opportunity that a country like Canada has in the field of international affairs. Here there is a major role to be played by a country like Canada or other middle powers within the United Nations.

We certainly do not subscribe to Mr. Khrushchev's plans for reorganizing the United Nations. To substitute a committee of three to represent the western world, the communist world and the uncommitted nations is, of course, to destroy the United Nations and the office of the secretary general as it was conceived at San Francisco, or indeed, as it was contemplated when the covenant of the league of nations set up a similar office under that world body. But I believe we have got to recognize that the refusal of the Soviet union to place any confidence in the secretary general does destroy much of the effectiveness of that great public servant. I express a personal view that I doubt very much if we will see, certainly for some time to come, a westerner holding that office. That is not necessarily something to be criticized. If there is an honourable and competent Asian or African, and no doubt there is, such a person could fill that office with distinction and impartiality, but only provided he is able to carry out his functions as article 99 of the charter at present envisages.

I believe that the Soviet union wishes to destroy the United Nations as now constituted. It does not serve its purpose when it functions in the objective way in which certainly Mr. Hammarskjold and most nations, I believe, wish to see the United Nations approach its difficult assignment. This applies not only to western nations. It applies to nations from Asia and Africa as we know from the kind of leadership given by Mr. Nehru who questioned the suggestions made by Mr. Khrushchev, when he spoke so disparagingly of the person and of the office of the secretary general last fall.

But there have to be changes made in the United Nations and these changes have got to take place fairly quickly. The minister said nothing about such changes. If the United Nations is going to persist in its present form or in the reincarnation originally envisaged, certain reforms will have to be undertaken without waiting for full charter revision. The security council will have to be expanded as

will the economic and social council, to take into account the newer members from Asia and Africa particularly.

Mr. Green: We have been urging that.

Mr. Martin (Essex East): I hope the minister will continue because I think that is a very essential thing to do. When the minister is urging that, he might also perhaps realize that there are certain other changes in the United Nations that should take place. If it is going to become an effective body, a more liberal interpretation must be made of the charter. There must be expansion of existing machinery and the adding of new bodies in addition to those I have already mentioned.

We must give to the administrative body of the United Nations authority in areas not now under national sovereignty. I mention outer space as one of these. There must be greater use made of the international court of justice and the development of international law, perhaps by the creation of certain existing tribunals as ad hoc tribunals from which appeals might be pressed to the international court of justice.

We must, of course, adhere to the principle of universality of membership notwithstanding what the difficulties are, as we well knew in 1955. We must make the United Nations less dependent for its income than it is now. We must not have the shameful situation that confronted it last week, when seemingly it had to beg for money to carry on in the Congo operations that were in the interests of all people of the world as well as the people of that troubled country.

Then we must press, as Mr. Nehru said, for charter revision at the appropriate time, and he thought that the time certainly had not come when he spoke last fall. So that I think while we support the United Nations we must recognize the dangers that confront it.

I see that Mr. Hamilton Fish Armstrong has suggested recently in penetrating observations that this crisis of the United Nations is one to which some nations in the west have not fully addressed themselves. He is concerned about this particular situation. He envisages the possibility of the Soviet union establishing her own international forum, if she cannot get her own way at the United Nations, as presently constituted. Whether or not that eventuates, no one can tell but these are dangerous situations, not only in the various places we have mentioned, Laos, the Caribbean, Germany and so on, but right in the United Nations itself we have a crisis. We are not going to resolve that crisis by being evangelistic about what the United Nations has done, but by recognizing the challenge that is presented to us right in the United Nations and making it an effective body. If there is no United Nations in the kind of world in which we live, with the kind of instruments of war which now persist I, for one, and I am sure this represents the opinion of every member of this house, cannot believe the peace of the world in this interdependent period can possibly be maintained only by a balance of power system.

Disarmament has been a worthy objective of the minister. Certainly he has found since his period of service as Secretary of State for External Affairs that the optimism which characterized his earlier speeches in this field has not been justified. He perhaps now recognizes that the facts of life are not as simple or as noble as they appeared, when he undertook the very heavy responsibility which he now discharges so honourably and so sincerely. The fact is that good wishes and sincerity are no substitute for wise policies in the kind of ruthless world in which we live today.

The Soviet union has affirmed its willingness, as of a few weeks ago, to reach an agreement in the matter of the cessation of nuclear tests. Last year the minister told us that there were great prospects for agreement in this area and that if we got agreement, we would have an opportunity for progress in the broader field of disarmament. My suggestion is that the events of today indicate that whatever justification there may have been for hope in that field is rapidly being dissipated. I hope this is not the case, but I know of no other interpretation to put on the words which Mr. Khrushchev addressed to Mr. Walter Lippmann as reported last week. It may be that the Soviet union is now determined to make the nuclear talks part of a package deal in connection with the whole question of disarmament. In any event, the fact is—this is no fault of Canada or, I believe, basically of most of the nations in the west—we have made no progress in this field. No progress was made when we were in office, and no progress is being made now. Procedural achievements and procedural initiatives are not real progress.

I believe that we must pursue this objective of disarmament. Even many of the experts, on whose judgment and experience we rely, now have abandoned the word "disarmament". They are now talking about arms control. I suggest to the minister that the job of the statesman is to keep the higher objective of disarmament, even though there may be a realization of how difficult that is going to be, particularly in the face of the fact that there is no known scientific method for the determination of the existence of undisclosed nuclear weapons. The minister says

that the policy of this government is to continue to advocate the cessation of nuclear tests with or without controls; that is the position he has reaffirmed today, although he did point out that the resolution put forward by Ireland, which Canada supported, provides as far as this country is concerned for a limited period in which Canada will withhold a decision as to the use of nuclear weapons in Canada.

There is a conflict, undoubtedly. I do not expect the minister to admit it between the pronouncements made by the Minister of National Defence (Mr. Harkness) and those made by the Secretary of State for External Affairs with regard to this matter. The minister is clear when he states that the policy of the government is that there should be no nuclear tests, underground or overground, with or without controls. However, that is not what one has a right to interpret as being the view of the Minister of National Defence. I can only hope that in this matter the minister will be able to establish his position vis-à-vis his colleagues and, in particular, in his discussions with the Minister of National Defence.

A few moments ago an hon. member asked me what further Canada could do. I have indicated, I believe, that we could have gone further. I believe we could go further now and put forward a specific plan which may or may not be accepted but which, in our name and supported by certain nations, might have a persuasive influence, even though it might not bring about full results. It is worth the try.

If general disarmament is to be attained, it is certainly not going to be achieved easily. We might as well recognize this now. All one has to do is to read what men like Kissinger and Kohn have to say, to realize what has developed in connection with modern nuclear weapons, to appreciate what a tremendous job mankind is going to have in the attempt to unscramble the nuclear paraphernalia that has been devised. We should give consideration to other plans that have to be devised if we are going to have disarmament.

We should give consideration, for example, to the kind of thing I mentioned in passing a few minutes ago. What type of international police force should be established to preserve international peace and security? What principles of international law should govern such forces? What internal security forces, in precise terms, would be required by the nations of the world if existing armaments were abolished? These are questions that we have to consider. The United Nations emergency force was understandably established without any opportunity for preparation on the part of the secretariat. However, as we know now from the Congo operations, the United Nations secretariat, as presently constituted, is not in a position to provide the kind of administrative services that make such a United Nations force fully effective.

This is the kind of constructive suggestion to which we might well give careful consideration and thereby make a definite contribution of our own. There are so many other areas one could traverse, but my time is nearly exhausted. I simply want to go back to where I began by saying that these problems, the United Nations, disarmament, the organization of American states, together with the turbulent situations that now exist in so many areas, point up the difficulties that attend mankind at this time. It is not easy, we all know, to see our way clear through this situation. A nation—or group of nations—that is reluctant to use force, that is reluctant to follow the concept of even evolutionary international law, encounters difficulty when it is confronted with irresponsible actions by nations bent on implanting in the minds of men their philosophy of life. This is a very difficult situation. This is what concerns us. Statesmanship of the highest order is required in all of the countries, and our country no less than others has a responsibility. We must pursue the ideals of a world under international law but we must do so realistically, realizing what are the pitfalls; we must do so realizing that obviously, in face of the November conference in Moscow, no agreement is going to be made that does not meet at this stage of international relations the particular policy objective of the Soviet union.

I admit, of course, that we cannot leap over a chasm with one bound. This procedure has been tried previously and the results have been fatal. However, I believe that the prime minister of the United Kingdom was right when he said in Boston that the nations of the west, without violating their right to individual opinion, must recognize that at this time it is essential that there be a strong measure of prudent unity among the western powers. If we have this unity; if we have a firm will to attack vigorously our agenda of economic development, not only in terms of our relations with the common market through O.E.C.D. and the like but the economic development of other people in the world who are going to have a decision as to which of the great ideologies shall prevail; if we can strengthen the United Nations along the lines that are envisaged not as stated by me necessarily but as outlined by others who share

these views rather than yielding to the destructive purposes of those who want to use the United Nations only for their purposes and for the furtherance of their aims, we may find that the road may be easier. If we can apply as much time and money in studying for peace as we do in planning for war; if, to use C. P. Snow's phrase, we can regain our "appetite" for the future—and I would say our soul as well—then we shall be true to the values of our own way of life and contribute to a more peaceful world.

The minister has an extremely difficult assignment. We respect that difficulty. However, we urge him now to appreciate, as I am sure he does—although I feel that he did not give us evidence of this today—the urgency that attends us and to indicate in bold and clear terms something that represents the character and the wishes of our people along the lines spoken of by people like C. P. Snow, Barbara Ward and other strong protagonists of the western position. That is the kind of leadership we need at this time, not only here at home but throughout the west and throughout the world.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I am sure we all listened with great interest to the minister's review of international affairs and the work of this department. We all recognize the problems he faces at the present time possibly to a greater degree than ever before. We have great respect for the minister and we appreciate the work being done by his officials around the world. Although called away for a few minutes, I also listened with interest to the very eloquent remarks of the hon. member for Essex East (Mr. Martin) but I do not agree with all he said.

I have listened to a great many reviews of international affairs from our secretaries of state for external affairs. I noticed that today for the first time the minister referred to himself as a foreign minister. I understand that, according to British tradition, a foreign minister always wears a top hat on formal occasions. Possibly we shall see him doing that in the future. However, while I was listening to the minister I was thinking about the two wars. There are in this house members who marched to war in the first world war and in the second one. In the first world war our battle was to save the world for democracy and in the second world war it was to fight against nazi tyranny and to bring about a system of world peace. Between the first and second world wars the statemen of the world lost numerous opportunities to bring about and develop that peace in the world.

One reading the history of the world between the first and second world wars realizes how, just through the lack of imagination or the lack of wisdom on the part of a very few people, the tide was turned in the wrong direction. Since the second world war, at the conclusion of which we all had high hopes, some nations have made various mistakes. The minister said that we should give the government our backing. We give the government our backing. He said the government recognizes its opportunity but also its responsibility. We give this government our backing if it recognizes its opportunity and its responsibility in relation to that large group of nations outside this major struggle between the two great nations of the east and the west. Mr. Speaker, may I call it six o'clock.

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

Questions

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of debates pursuant to standing order 39:

T.V. STATION CHEK, VICTORIA—INTERFERENCE

Question No. 169—**Mr. Regier:**

1. How many protests have been received by the Minister of National Revenue's office and the C.B.C. as to interference from T.V. station CHEK, Victoria, to television reception in the lower mainland of British Columbia in each of the months since that station began operations until and including the month of February 1961?

2. What steps have been taken, since these complaints began, to remedy or reduce the alleged interference?

3. Does the C.B.C. consider that the major complaint of interference has now been resolved to the satisfaction of the people of the lower mainland of British Columbia?

Answer by: **Hon. George C. Nowlan (Minister of National Revenue):**

1. As far as can be ascertained, no letters of protest concerning reception interference by station CHEK-TV were received by either the Minister of National Revenue or the C.B.C. following the commencement of operations of that station. In August and early September of 1960, however, following the introduction of an omnidirectional signal of greater power from a relocated transmitter as authorized by the board of broadcast governors, some protests were received by the Minister of National Revenue and the C.B.C. from persons who objected to varying degrees of reception interference on channels allocated to American T.V. stations. None of these persons protested about interference with Canadian stations. Eight letters were received by the Minister of National Revenue from such individuals up to February 1961. The C.B.C. has recorded two letters and eight telephone calls in September 1960 and four letters and seven telephone calls in October 1960.

2. Such letters and telephone calls were referred to the Department of Transport and the B.B.G. A technical study was made by engineers of the former and CHEK-TV was found to be complying fully with the technical requirements of its licence. The B.B.C. conducted a study as well. Certain suggestions were made to listeners to install wave traps to reduce interference.

3. Since the C.B.C. has no jurisdiction in the matter, it has no opinion to offer as to whether the complaints made have been resolved to the satisfaction of those concerned.

LOOTING LOSSES, NAVAL STORES

Question No. 185—**Mr. Regier:**

1. What was the estimated loss to the Canadian government caused by looting from naval stores at each naval institution in Canada during the last year on record?

2. How many prosecutions were launched in respect to such looting during the year in question?

3. How many convictions were obtained?

4. What are the existing arrangements for the protection of government property at naval institutions in Canada?

Answer by: **Hon. D. S. Harkness (Minister of National Defence):**

1. Total amount of loss due to theft or suspected theft at naval establishments during 1960: $4,714.

Total amount of loss due to theft or suspected theft from ships during 1960: $2,367.

2. Six.

3. Six.

4. The basic regulations governing the protection of naval property are set out in the Queen's regulations and orders for the Royal Canadian Navy.

SHIPPING TONNAGE, CONTRACTS AND SUBSIDIES

Question No. 186—**Mr. Regier:**

1. What was the total tonnage of shipping under Canadian registry at the end of each of the past ten years?

2. What is the total value of government contracts given to Canadian shipyards within the past three years for each of the ports of Halifax, Vancouver, and Victoria?

3. Does the government grant subsidies to Canadian shipyards, if so, what were the amounts of such subsidies to each of the three areas mentioned above in the fiscal year ended March 31, 1961?

4. What, if any, subsidies are contemplated for the present fiscal year to shipbuilding in each of these cities?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

1.

Year	Gross Tonnage
1950	2,394,250
1951	2,380,369
1952	2,452,097
1953	2,385,217
1954	2,259,551
1955	2,316,396
1956	2,347,311
1957	2,358,352
1958	2,382,983
1959	2,472,147
1960	2,580,226

2. Total for years 1958, 1959 and 1960 for shipyards reporting to the Canadian maritime commission:

Halifax	$28,001,300
Vancouver	17,066,000
Victoria	20,153,600

3. No.

4. No subsidies are contemplated at the present time.

PATRICIA BAY AIRPORT, VICTORIA—IMPROVEMENTS

Question No. 188—**Mr. Regier:**

1. What improvements are planned for the current fiscal year to Patricia Bay Airport, Victoria?

2. What is the estimated cost of each of the improvements planned?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

1 and 2. It is difficult to foretell with certainty the degree of completion in the current fiscal year, but the following improvements are planned:

	Total Estimated Cost
Air terminal building, including power and control lines, sewer and water, road diversion, etc.	$1,020,000
Aircraft parking and car parking areas, taxiways, runway extension, road, etc.	$ 1,333,000
Navigational aids (beacons, glide path, middle marker, high intensity approach and runway lighting, etc.)	192,000

SMALL BUSINESS LOAN APPLICATIONS—FORT WILLIAM

Question No. 199—**Mr. Badanai:**

1. Has any application for loans to small businesses been received by chartered banks in the constituency of Fort William since the passing of legislation under Bill C-40?

2. How many loans have been made, if any, and the amount of each?

3. Were any applications turned down, and, if so, what were the reasons?

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

1, 2 and 3. Information not available.

HOUSE OF COMMONS

Thursday, April 27, 1961

The house met at 2.30 p.m.

TRADE

O.E.E.C.—REPORT FROM CANADIAN DELEGATION TO ECONOMIC POLICY COMMITTEE

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I have now received a report from the Canadian delegation to the economic policy committee of the O.E.E.C. which met in Paris on April 18 and 19. I should like to inform the house of several important developments which took place at these meetings.

Hon. members will be interested to know that the economic policy committee, composed of senior officials from all the member countries, is expected to become one of the principal organs of the new O.E.C.D. designed to promote closer international co-operation and consultation over the whole field of economic policy both national and international. Because this was the first meeting of the economic policy committee since ratification of the O.E.C.D. convention by Canada and the United States, considerable attention was devoted to plans for the future work of the organization for promoting closer economic collaboration among the member countries. The work of this committee is of particular significance to Canada because its membership now embraces all the principal countries of western Europe, the United Kingdom and the United States, which together account for a very high proportion of Canada's total foreign trade.

In addition to making plans for its future work, the economic policy committee on this occasion reviewed the current economic situation and future prospects of member countries particularly as they affected the trade and financial relationships among them.

With a view to extending and intensifying the work of the O.E.C.D. the committee decided to establish two working groups to study and consult upon problems of economic policy where such action seemed particularly timely and likely to produce the most valuable results. The first group will deal with problems of economic growth. The second group will deal with the balance of payments and the monetary, fiscal and other related policies. Canada will be represented on both working groups. The economic policy committee expects to receive reports from these two groups within the next few months with a view to making proposals for action to the ministerial council of the O.E.C.D. later in the year.

I should like now to table the terms of reference for the two working groups established by the economic policy committee.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I think all hon. members will have learned with satisfaction that some encouraging progress is being made in the work of the economic policy group in laying the foundation for the transformation of the O.E.E.C. into the organization for European co-operation and development which could be one of the most important agencies in the development of Atlantic economic co-operation. We can only hope that the encouraging progress that has been begun in the work of the economic policy committee will be continued in the meetings of the subcommittees and the meetings of the full committee to which the minister referred.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, from the standpoint of Canada I think it is a good thing that the O.E.C.D. has set up these two committees and has this work now under way. From the standpoint of our country I think both committees can be of importance, the one having to do with growth, of which we do not have too much at this time, and the other having to do with the balance of payments, which is a difficult problem for Canada even now and in the case of Europe is of very great importance. I think for Canada this is a matter of urgency, and we hope that the O.E.C.D. in the future will bring about freer trade within the Atlantic area and will make it possible for Canada to resume adequate growth within our nation.

COAL

AMENDMENTS TO AGREEMENT WITH BRAS D'OR COAL COMPANY LIMITED

Hon. Paul Comtois (Minister of Mines and Technical Surveys) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to authorize certain amendments to the agreement made under the Coal Production Assistance Act with the Bras d'Or Coal Company Limited for

the purpose of postponing the commencement of repayment of the loan made to the company thereunder to the 31st day of December, 1962.

Motion agreed to.

FREIGHT RATES REDUCTION ACT

AMENDMENT EXTENDING APPLICATION OF REVISED RATES

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

That it is expedient to introduce a measure to amend the Freight Rates Reduction Act to extend for not more than twelve months the period during which the revised rates under the said act shall be applicable and to increase the authorized expenditure under the act by an additional $20 million.

Motion agreed to.

LABOUR CONDITIONS

REPORTED STATEMENT BY GOVERNOR OF BANK OF CANADA

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister if he would comment on the statement made yesterday by the governor of the Bank of Canada to the effect that any improvement expected to take place in the economic situation will not be adequate to make a "serious dent in the level of unemployment allowing for seasonal fluctuations."

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as the hon. gentleman knows it is improper for anyone to make observations on evidence given in a committee of the house or of the other place.

PROPOSED JOINT CANADA-U.S. ORGANIZATION TO SOLVE UNEMPLOYMENT

On the orders of the day:

Mr. Gerard Loiselle (St. Ann): I should like to direct a question to the Minister of Labour or, in his absence, to his assistant. A press report from Washington today indicates that Canada and the United States have decided to create a joint organization to find a solution to the problem of unemployment. Is the assistant to the labour minister in a position to comment on this report and advise the house whether the government has appointed persons to that board from the regions affected by unemployment?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): No, Mr. Speaker.

[Mr. Comtois.]

[Later:]

Mr. Loiselle: Mr. Speaker, I have a question supplementary to the one I asked the parliamentary secretary to the Minister of Labour. I ask the parliamentary secretary to take notice of my previous question in order that the minister may comment on this matter in a few days.

Mr. Thrasher: Mr. Speaker, I will be very happy to do that.

BUSINESS OF THE HOUSE

BANK OF CANADA—CONSIDERATION OF REPORT BY COMMITTEE

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to ask the Minister of Finance a supplementary question. Will the minister tell the house whether it is the intention of the government to move to refer the annual report of the governor of the Bank of Canada to the standing committee on banking and commerce, or to any other committee of this house?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, following the question asked by the Leader of the Opposition, I really can see no advantage to parliament or to the public in that course.

Mr. Martin (Essex East): Does the Minister of Finance not realize that as he himself has said—

Some hon. Members: Order.

Mr. Martin (Essex East): Does the Minister of Finance not realize that, as he himself has pointed out in the house, since the governor of the Bank of Canada is responsible to parliament—

Mr. Deputy Speaker: Order. It seems evident that the hon. member wishes to convey information more than to ask for it.

Mr. Martin (Essex East): Mr. Speaker, as this is the first time you have acted in this capacity I will accede.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): But may I ask the Minister of Finance—

Some hon. Members: Cheap, cheap.

Mr. Martin (Essex East): Hon. gentlemen opposite can make all the catcalls they want but they cannot prevent us—

Mr. Deputy Speaker: Order. If the hon. member has a supplementary question I hope he will put it now.

Mr. Martin (Essex East): Mr. Speaker, it is obvious that I have, but I have not been able to put it because of government members' interruptions in the chamber. Will the Minister of Finance, in accordance with the rights and obligations of this parliament, in the name of the government move to have the report of the governor of the Bank of Canada sent to the banking and commerce committee so this house may study that report?

Mr. Deputy Speaker: Order. The hon. member is repeating a question which has already been put.

Mr. Martin (Essex East): On a point of order, Mr. Speaker—

Some hon. Members: Sit down.

Mr. Martin (Essex East): —may I say that this question has not been put.

Mr. Deputy Speaker: Unless I am mistaken, the Minister of Finance has already indicated he does not consider this suggestion to be in the public interest.

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I should like to put a supplementary question to the Prime Minister. In view of the statement made by the governor of the bank, will the Prime Minister say whether or not he regards the governor as a prophet of gloom and doom?

[*Later:*]

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, in order that there shall be no doubt on the matter may I ask the Minister of Finance whether he considers it not to be in the public interest to refer the report of the governor of the Bank of Canada to the banking and commerce committee of this house.

Mr. Fleming (Eglinton): Mr. Speaker, this is the third time this question has been asked in the house this afternoon. I repeat the answer I gave to the question when it was asked the first time by the hon. member for Essex East, and I simply add to that answer the observation that I think will be generally shared by all hon. members of the house and the public, namely that hon. members opposite, in either examination or cross-examination of the governor of the bank, could not do half as good a job as the senators did.

Mr. Martin (Essex East): What a disgraceful statement.

[*Later:*]

Mr. Martin (Essex East): Mr. Speaker, I should like to give notice from my place that on Tuesday next I intend to move that the latest annual report of the Bank of Canada be referred to the standing committee on banking and commerce.

Mr. Deputy Speaker: May I draw to the attention of the hon. member for Essex East citation 186 of Beauchesne's Parliamentary Rules and Forms, fourth edition, which states:

> Oral notices for future proceedings do not exist in the Canadian House of Commons.

Mr. Martin (Essex East): Mr. Speaker, I acknowledge with gratitude the view you have just expressed, but I would point out that Your Honour failed to read all of the citation, as I would have expected in the circumstances. The citation goes on to indicate:

> An exception must be made in respect of certain routine proceedings dealing with the observance of proprieties of the house, the maintenance of its authority—

And so on. I would think nothing is more important than the maintenance of the authority of the house—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Mr. Speaker, may I ask you to tell supporters of the government what you told members of the opposition a few moments ago, namely that interventions would not be allowed which preclude an hon. member from making a statement which in his judgment he feels he should make to the house. Because of the interruptions may I repeat the citation:

> An exception must be made in respect of certain routine proceedings dealing with the observance of proprieties of the house, the maintenance of its authority—

And so on.

I rest my case on the phrase "the maintenance of its authority". What is the authority? Under the Bank of Canada Act, as the Minister of Finance has so frequently reminded us, monetary policy is the responsibility directly of the governor of the Bank of Canada. Of course under our system of government that does not mean that the government escapes responsibility, but under the Bank of Canada Act the governor of the Bank of Canada is responsible for the formulation of monetary policy. In the discharge of that function he is responsible to this authority, the House of Commons. Under this rule I am permitted to give oral notice in respect of something that involves not only the authority but the obligation of this house in respect of this matter, particularly when one notes that the governor of the Bank of Canada is responsible directly to this house.

Because this is so, I feel that this notice is in order, and that we are in order in discussing the motion itself and in asking that the report of the governor of the Bank of Canada

be placed before a committee of this house, to which the governor of the Bank of Canada is by statute responsible. I think the situation is clear, and since to date the government through the Minister of Finance has refused to accept the responsibility which he prefers to hand over to another chamber of this parliament—

Mr. Deputy Speaker: Order. I think the hon. member is dealing with something other than the point of order.

Mr. Fleming (Eglinton): Mr. Speaker, on the point of order, the hon. member for Essex East just insists on making himself more and more absurd the further he goes in this matter. He has read a portion of the citation, Mr. Speaker, and then has beclouded the whole issue with a mass of verbiage. Let me read the citation in full for the instruction of the hon. member. Citation 186 reads as follows:

(1) There are only two ways in which a question can be withdrawn from the order paper: first, by a written notice, by the member putting the question, to the Clerk of the house, and, secondly, by the member, in his place in the house, informing the Speaker that he desires the question to be dropped.

(2) Oral notices for future proceedings do not exist in the Canadian House of Commons. It is useless for a member to say: "Mr. Speaker, I give notice that I will move a certain question tomorrow." This would not give him any precedence on the next day and he would not thereby acquire the right to speak on matters not standing on the order paper. An exception must be made in respect of certain routine proceedings dealing with the observance of proprieties of the house, the maintenance of its authority, the conduct of its officers, the management of its business, the correctness of its records or any other similar matter brought up by the Prime Minister and settled without the passage of any resolution. A minister may also announce from his seat that he will later make an official statement on some important matter but he does so as a courtesy to the members. These indications of the government's intentions are not the kind of notices required under standing order 41 which must be printed in the *Votes and Proceedings*.

The authority of the house is not an issue here. This does not arise out of any statement or matter brought up by the Prime Minister. It does not relate to the conduct of any officer of the house or the management of the business of the house, or the correctness of the records of the house, or any other similar matter, brought up by the Prime Minister and settled without the passage of any resolution.

With great respect, Mr. Speaker, the hon. member for Essex East has been in the house a long time and some of us who have some regard for him do not like to see him making himself look so utterly absurd as he is insisting on doing today.

[Mr. Martin (Essex East).]

Mr. Pearson: Mr. Speaker, on the point of order, this matter could be settled in five seconds if the minister would merely agree to have this report submitted to the appropriate committee.

Mr. Fleming (Eglinton): Mr. Speaker, may I say that the matter could have been settled before it started if hon. members opposite would acquaint themselves with the rules of the house and obey them.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to say a word on the point of order, particularly about the many precedents there are with respect to the very procedure which the hon. member for Essex East has adopted on this occasion. There is no difference in principle, as I am sure Your Honour will agree, between getting up and putting, as is done practically every day on the orders of the day, a question to a minister and asking him to take it as notice, and doing what my hon. friend from Essex East has done today. All he has done is to say that with respect to a matter that would not appear on the order paper at all, namely the reference of a document to a committee, that as a matter of routine proceedings he intends on a future occasion to take that action. Of course hon. members who are chairmen of committees are constantly making similar motions with respect to concurrence in reports of committees, and they get up at this stage of the proceedings and give notice that they intend to do that on a future occasion.

Of course we all recognize that if the hon. member for Essex East was trying to place something on the order paper which would give him precedence over some other hon. member, that would be an improper thing to do, because there is a precedence laid down in the regular standing orders of the house. But in routine proceedings there is no precedence. Whichever hon. members catches your eye first, be it the Prime Minister, the chairman of a committee, the whip seeking to change the membership of a committee, this is accepted by the Chair in the order in which it happens. All the hon. member for Essex East was doing was seeking to give the house advance warning of what he proposes to do in order that the house might exercise its jurisdiction and supervision over a body with respect to which the Minister of Finance disclaims any responsibility, and proclaims there is a parliamentary responsibility.

Mr. Deputy Speaker: I think the comments of the hon. member for Bonavista-Twillingate have clarified the point. As he says, if the notice given by the hon. member for Essex East is not intended to have this question stand on the order paper, there is no

problem except that this would not be the proper occasion to give such a warning. It might be a matter of debate, but certainly not a matter to be put on orders of the day because it was not in the form of a question.

Mr. Martin (Essex East): Before you make a final ruling, may I respectfully suggest that in view of the fact that Mr. Speaker is not in Ottawa at the present time—

Some hon. Members: Order.

Mr. Martin (Essex East): —you might want to delay your final ruling in a matter of this great importance until Your Honour has had an opportunity to discuss it with the chief presiding officer of the house, the Speaker.

Mr. Deputy Speaker: I do not think that is necessary because the question seems very clear and, as I said, the hon. member for Bonavista-Twillingate has removed any doubt I might have had.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I wonder whether I might be allowed to ask the Minister of Finance if he does not agree that the dignity of this house is degraded when an officer of parliament is permitted to testify before a committee of the other place and is denied the right to testify before a committee of this house?

Mr. Fleming (Eglinton): Mr. Speaker, I do not know to whom the hon. member refers when he speaks of an officer of parliament. The governor of the Bank of Canada is not an officer of parliament. He is an officer of the Bank of Canada by definition under the Bank of Canada Act.

SECONDARY MORTGAGE MARKET—REQUEST FOR DEBATE

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I noted the reply of the Minister of Public Works last week in connection with this matter. Is the Minister of Public Works able to assure the house that an opportunity will be given for discussing his proposal to establish a secondary mortgage market by a debate this session?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, could I accept that question as notice?

DEFENCE PRODUCTION

CANADA-U.S.—INQUIRY AS TO REPORTED AIRPLANE EXCHANGE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, would the Minister of Defence Production care to comment on a report in this morning's press to the effect that the United States air force has turned down the possibility of buying the Canadian made CL-44 cargo aircraft? I wonder if the minister could say whether Canada has put before the United States government any alternative proposals for defence contracts to be let within our own country?

Hon. Raymond O'Hurley (Minister of Defence Production): In reply to the hon. member for Assiniboia, I may say I read the article that appeared in the *Gazette* this morning. The United States government are free to make any comments they wish on the qualities of the CL-44. I wish to state that Canada has put forward to the United States government other proposals so as to help aircraft production in Canada. Discussions have taken place with United States authorities over the past several months as to the possibilities of arrangements in the field of defence production in connection with this industry, but they have not yet reached the stage where I could usefully make a statement.

Hon. Lionel Chevrier (Laurier): May I ask a supplementary question along the lines of the one the minister has just answered and in the light of the report which appeared in the Montreal *Gazette* this morning, wherein it is stated that the proposed contract would enable Canadair to produce the Starfighter in exchange for the purchase of the United States long range interceptor. Is the minister in a position to make any comment on that aspect of the report?

Mr. O'Hurley: I have no comment to make. There was an article in the *Gazette* this morning to the effect that Lockheed was offering part of a contract to Canadair. This is utterly false. If Canada has any negotiations to make they will be made directly with the United States government, not with Lockheed.

Hon. Paul Hellyer (Trinity): May I ask a question of the Minister of National Defence. Did the United States secretary of defence and the minister hold informal discussions on the possibility of acquiring the CL-44 plane, which prompted a statement from the United States air force that the Canadian aircraft is much inferior to United States planes?

Hon. D. S. Harkness (Minister of National Defence): The hon. member is referring to a report in the newspaper relating to evidence given before a United States congressional committee. I do not believe I should comment on a newspaper report of that evidence.

Inquiries of the Ministry

FISHERIES

INQUIRY AS TO INTRODUCTION OF FEDERAL MARKETING ACT

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Fisheries, of which I have given him notice. Can the minister advise the house of the progress which is being made toward bringing into effect the recommendation of the royal commission on food price spreads for a federal fish marketing act which would enable provincial governments to pass legislation and thus regularize the negotiating of prices to fishermen?

Hon. J. A. MacLean (Minister of Fisheries): I want to thank the hon. member for Skeena for giving me notice of his intention to ask this question. The recommendation referred to in the question by the hon. member has been under study for some time. However, no decision has been made so far, nor are there any plans at present to introduce a federal fish marketing act during the current session of parliament.

Mr. Howard: I have a supplementary question. I wonder whether this particular recommendation is going to be given the same treatment as the Clark report.

Mr. MacLean (Queens): Mr. Speaker, it would be purely coincidental if that were the case.

WATER RESOURCES

GREAT LAKES—PROPOSED DIVERSION FROM HUDSON BAY WATERSHED

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Secretary of State for External Affairs. In view of the report that the great lakes commission is seeking the aid of the United States state department in negotiating with Canada regarding additional diversion of water into the great lakes, can the minister indicate to the house the Canadian government's position on the proposed water diversion into the great lakes from the Hudson bay watershed?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I have seen the article in question. The Canadian government has received no approach from the United States on proposals of the type described. Various proposals for diversions of water from the Hudson bay watershed to offset diversions at Chicago have been considered in the past and are regarded as impracticable from an economic point of view. Canadian opposition to any further diversion at Chicago is well known.

[Mr. Harkness.]

TRANSPORT

MONTREAL—INQUIRY AS TO LOAN FOR SUBWAY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the Prime Minister if he will explain to the house why the government of Canada is not prepared to make a loan of $50 million to the city of Montreal for the construction of a subway while, according to a report in *La Presse* last night, the government of France has approved in principle such a loan to the city for the same purpose?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, what the government of France did, of course, is not of immediate concern to hon. members in this house. In so far as the earlier part of the question is concerned may I say this. The reason given to those making a similar application on the part of the city of Toronto was given to the mayor of the city of Montreal.

Mr. Chevrier: May I ask a supplementary question. Is it not possible for the government, should it decide to approve of these two loans, to put an item in the estimates rather than to deal with the matter by way of legislation, as the Prime Minister has suggested?

Mr. Diefenbaker: I should not like to take lessons in parliamentary propriety from hon. gentlemen opposite.

HARBOURS

MOOSONEE, ONT.—STATEMENT ON JOINT SURVEY REPORT

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I wish to address a question to the Minister of Public Works. Is the minister in a position to reply to the question I put to him yesterday concerning the engineering report in connection with the proposed seaport at Moosonee?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I wish to thank the hon. member for Nipissing, and in reply to say that the information gathered as the result of basic surveys carried out in 1960 by the federal government will be assembled in about one month's time. One key section at the mouth of the Moose river must still be surveyed, which will determine the location of the main channel where the river meets James bay. This work is now planned to be carried out early this summer, and will last approximately one month.

The results of our technical study covering all basic surveys carried out in 1960 and 1961 will then be assembled and made available

to the government of Ontario. I cannot say at this time whether or not it will be published, but I should emphasize that this will be technical information only, and not a report on the feasibility of the seaport. The feasibility of the seaport from an engineering standpoint can be assessed later.

INQUIRY FOR RETURN

CABINET MINISTERS' TRAVELLING EXPENSES

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Secretary of State. As the minister is absent, perhaps my question could be drawn to his attention. This is almost the five months' anniversary of an order of this house pertaining to a question of mine about the travelling expenses of members of the cabinet. I wonder whether the Secretary of State would look into this matter and see why there has been this delay in complying with the order.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I will pass on this information to the Secretary of State.

(Translation):

PUBLIC SERVICE

GOVERNMENT TELEPHONE DIRECTORY—INQUIRY AS TO FRENCH EDITION

On the orders of the day:

Mr. H. Pit Lessard (St. Henry): Mr. Speaker, I should like to put a question to the Minister of Finance. According to this morning's papers, the Canadian government telephone book has been printed in English only. Does the minister intend to have a French version of that directory printed, in accordance with the promises made by the Minister of Transport?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I did not have an opportunity to read the report referred to by the hon. member. However, I shall read it and answer his question tomorrow.

(Text):

NORTHERN AFFAIRS AND NATIONAL RESOURCES

REPORTED TRANSFER OF ADVERTISING ACCOUNT

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I would like to ask the Minister of Northern Affairs and National Resources whether his department has recently transferred its advertising account to a new advertising agency.

An hon. Member: Order paper.

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, so far as I am aware, several agencies are handling the advertising account of the department. Those agencies have not been changed recently.

Mr. Pickersgill: Is the minister aware that a story to this effect appeared in the Winnipeg *Free Press* today?

Some hon. Members: Oh, oh.

Mr. Pearson: You will have to correct that tomorrow.

THE CENSUS

REQUEST FOR HIRING OF QUALIFIED UNEMPLOYED

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Now that the census commissioners have been appointed, can the minister say whether any instructions have been given to these census commissioners to give priority, when appointing census takers, to unemployed persons provided they have the necessary qualifications?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I am sure that those making the appointments take this matter very much into consideration, because it is well known how anxious this government is to provide employment for everybody who is unemployed and who can by our action become employed.

As I have outlined to the house, this is a very important task. People with particular skill and ability are required to carry out this very exacting operation. I think the choices are being made on that basis, and the census will be carried out very well as a consequence.

Mr. Garland: Mr. Speaker, in view of the fine words of the minister I wonder whether he could consider the proposition and specifically suggest to the census commissioners that priority be given to the unemployed provided they have the necessary qualifications.

Mr. Hees: As I have said, Mr. Speaker, I feel sure that is taken very much into consideration at all times when these selections are being made.

(Translation):

PUBLIC WORKS

ST. HYACINTHE—FEDERAL ASSISTANCE IN TUNNEL PROJECT

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I direct a question to the Minister of

Transport? According to a report published in the newspaper *Le Clairon,* Quebec provincial authorities—

Mr. Tremblay: *Le Clairon.*

Some hon. Members: Oh, oh.

Mr. Denis: —Quebec provincial authorities are only waiting for a decision from the federal government to begin work on the viaduct east of the city of St. Hyacinthe. Is it the intention of the minister to communicate with the hon. member for St. Hyacinthe-Bagot in order to speed up the matter, even if it meant for the latter a temporary interruption in his congratulatory letters to parents of new born babies in his riding?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, of course I have not read *Le Clairon,* but I want to say to my hon. friend that the hon. member for St. Hyacinthe-Bagot has often had talks with me on the problem that was just raised. I am not in a position to say today exactly when the work will start, but I shall be glad to accept the question as notice and answer later.

Mr. Theogene Ricard (St. Hyacinthe-Bagot): A supplementary question, in order to help the hon. member for St. Denis and to dispel his ignorance. Could the minister tell us that tenders have been called and that the request—

(Text):

Mr. Deputy Speaker: Order.

(Translation):

Mr. Ricard: —and that the request—

(Text):

Mr. Deputy Speaker: Order. I ask hon. members not to start protesting when the question is being asked.

(Translation):

Mr. Ricard: —and that the call for tenders appeared in the same newspaper? The editor of this newspaper is as ignorant as the hon. member for St. Denis.

(Text):

Mr. Deputy Speaker: Order.

(Translation):

Mr. Balcer: Mr. Speaker, I do not believe I have any further comments to make.

(Text):

UNEMPLOYMENT INSURANCE

INQUIRY AS TO REPLENISHMENT OF FUND

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of Finance a question. In view of the fact that the unemployment insurance fund, according to the report for the end of March, is at the lowest point in history, can the minister say what steps the government is going to take to replenish the fund so that in the face of the great unemployment problem that persists at the present time, unemployed workers will not be denied their rights under the Unemployment Insurance Act?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the hon. member well knows that no unemployed worker has been denied his rights under the Unemployment Insurance Act, or will be. In reference to the proposed legislative action, the hon. member is equally well aware of what was announced in the speech from the throne and will be brought before the house in due course.

(Translation):

POST OFFICE DEPARTMENT

DORVAL—REPORTED THEFT OF MAIL AT AIRPORT

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I put a question to the Postmaster General. According to press reports, some mail bags were stolen recently at the Dorval airport. Can the minister inform the house whether this is the first in the series of postal thefts for the current fiscal year?

Hon. W. M. Hamilton (Postmaster General): I shall take this question as a notice, Mr. Speaker, and answer it tomorrow.

Mr. Alexis Caron (Hull): On a point of order, Mr. Speaker, precisely a moment ago you asked the house to let the hon. member who had the floor go on with his remarks. Well, since the beginning of this sitting, the hon. member for Roberval and a few others have kept talking louder than the hon. member who was putting a question. I hope the rule applies indiscriminately to all concerned.

Mr. Samuel Boulanger (Drummond-Arthabaska): On the same point of order, Mr. Speaker, I wish to endorse the remarks just made by the hon. member for Hull, and shall even quote some of the words spoken by the hon. members to my immediate left. On a question put by the hon. member for Laurier, the hon. member for Roberval said that he was a fat-head; I do not know what that means.

Mr. Fortin: Sit down, if you do not know what it means.

Mr. Boulanger: At the time a question was asked by the member for Bonavista-Twillingate, the member for Roberval replied that he was a floor-cloth. And when a question was put by—

Mr. Deputy Speaker: Order. I perfectly understand the point of order raised by the member for Hull, but the one raised by the member for Drummond-Arthabaska is of a different nature.

I wish to say at once to the hon. member for Hull that I thank him for calling the attention of the Chair to the application of the rules of the house. However, I either do not want to undertake to find out just who has been responsible for the interruptions. I know there have been interruptions on both sides, but I can say that the rules apply equally to all.

As for the point of order raised by the member for Drummond-Arthabaska, if I heard him correctly his reference was to statements made in the back benches and not heard nor meant to be heard by the reporters or by the house. I think it would be a dangerous precedent to record all remarks made in such a way that they can be heard only by members close at hand, but not by the whole house.

I assume that the member for Drummond-Arthabaska realizes the problems that might arise from the acceptance of a point of order such as he is raising.

If he insists, I shall make a ruling, but I would point out to him the drawbacks that might ensue.

Mr. J. N. Tremblay (Roberval): Mr. Speaker, I rise on a point of privilege, as I think that some of the remarks of the hon. member for Drummond-Arthabaska were directed against me.

He referred to conversations he allegedly heard, and attributed to me statements I have not made.

If indeed the expressions he heard, or claims to have heard, arose spontaneously in his mind, I can ascribe them only to some occupational distortion and habitual bad company.

I am very sorry, indeed, Mr. Speaker, but I wish to deny the facts alleged by the member for Drummond-Arthabaska.

Mr. Boulanger: Mr. Speaker, on the point of privilege raised by the member for Roberval, I might add a further sentence that he uttered and that was heard by others.

Mr. Deputy Speaker: Order, order.

Of course, the hon. member for Drummond-Arthabaska may comment on the statements just made by the hon. member for Roberval, who rose on a point of privilege, but I would point out to him that, from the way he started his remarks, he apparently proposes to discuss the point of order, on which incidentally I have stated my views.

If the hon. member for Roberval denies the statement ascribed to him by the member for Drummond-Arthabaska, the usual course to follow would be for the member for Drummond-Arthabaska to accept the statement made.

However, it is open to him to make remarks justifying his own action in the circumstances.

Mr. Boulanger: The purpose of my remarks, Mr. Speaker, is to indicate that on this side of the house we cannot enjoy the necessary quiet to hear the speeches that are made, particularly when Liberal members are asking questions.

Mr. Fortin: It is because you are on the wrong side.

Mr. Deputy Speaker: I have already stated my views on the point of order.

As to the remark just made by the hon. member, may I assure him that it is the Speaker's wish that every member, on either side of the house, be allowed to enjoy his right to speak in full freedom.

(Text):

EXTERNAL AFFAIRS

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

The house resumed, from Wednesday, April 26, consideration of the motion of Mr. Green:

That items numbered 76 to 110 inclusive, and item numbered 481, as listed in the main estimates 1961-62, relating to the Department of External Affairs, be withdrawn from the committee of supply and referred to the standing committee on external affairs, saving always the powers of the committee of supply in relation to the voting of public moneys.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, last evening in the three minutes at my disposal I made reference to the good work of the minister and his officials and to the failure of world leaders to seize opportunities to promote world peace between world wars I and II and since.

Our unanimous support of democratic principles and parliamentary institutions, our common objective which is the promotion of world peace, are, I know, taken for granted, and on that basis we all participate in this debate. While we may differ as to the pathway to peace and as to the meaning of current events, we all seek a single objective and welcome this opportunity to present our views with conviction as members of a free parliament.

The members of this group believe that the present circumstances present an opportunity and a particular challenge to Canada to

utilize its pool of good will that exists throughout the world in taking a friendly but strong, independent and constructive approach to the tangled skein of world problems. In that connection, on behalf of this group I should like to urge the Prime Minister to speak with the same clear voice and to represent the views of the people of Canada on these world questions as he did at the recent prime ministers' conference.

In the struggle between the democratic and totalitarian forms of government Canada cannot remain neutral. We must always stand squarely on the side of freedom and with the genuine forces of freedom. However, let me point out that the nature of this struggle is constantly changing. Revolutionary developments in weapons have underlined the danger and absurdity of relying on military strength as the chief method of settling international disputes, even though in some cases it is considered to be the only method. It is increasingly evident that the traditional policy of accumulating arms diverts us from channels of action through which purely effective policies can be pursued. These developments require new departures in Canada's contribution to the emerging world community.

The C.C.F. party believes that Canada's foreign and defence policies must be reappraised and reshaped if we are to play an effective part in the world's search for peace, and particularly in view of the blunders that have been committed by the United States in recent years in the field of foreign policy. It is because of these blunders and errors, this lack of judgment in United States foreign policy, that we emphasize the need for Canada not to remain silent on these occasions, but to speak with a stronger and clearer voice.

These blunders are causing concern to many Canadians and to people throughout the world. As a matter of fact, from correspondence I have received from a wide section of the community, people who support all parties in the house, and from organizations and from meetings I have attended I gather that this criticism is growing, and there is a greater and greater demand that Canada should utilize the pool of good will toward us that exists throughout the world and speak more firmly and clearly on some of these questions.

In our opinion, Mr. Speaker, the United States government, despite its announced concern for the rights of the people and its contention that it has not forgotten its revolutionary birth, has consistently supported reactionary and right wing governments throughout the world, and no one can deny that. I am paraphrasing conversations I have had and correspondence and resolutions I have received.

At the beginning the United States government was of the opinion that President Sukarno of Indonesia did not have the support of his people. Events have proven that the United States government was in error, and only a few days ago President Sukarno of Indonesia conferred with the President of the United States. I am mentioning a few of these blunders and errors in judgment which have had serious consequences in the world in recent years.

Let me also say that the government of the United States supported Syngman Rhee with massive financial and military contributions. Events proved that he was one of the nastiest fascists going until he was driven from office by a popular uprising, over which United States policy had no control, with apparently little forewarning.

The same story can be told with respect to Turkey, where liberal thinkers and students were murdered by the reactionary government of Menderes which was supported by the United States. In Laos the United States government proved again that they could not leave well enough alone and, no doubt acting under Dulles' precept that neutralism was immoral, started subverting the 1954 Geneva agreement with a view to installing a right wing government in Laos. This plot backfired when the communists inevitably gave support to their own people and a civil war ensued.

Britain has now had to come to the rescue of the United States government to arrange a cease fire, as has happened before. Undoubtedly any government that will be set up in the future in Laos will be more pro-communist than the one which existed a year ago, until United States government intervention led to the installation of a right wing government. Only today there is word from the United Nations that the President of the United States is calling into conference the leaders of both houses to deal with further difficulties that have developed because of this blunder in United States policy in recent days.

In South Viet Nam things are no better, Mr. Speaker. Some people make much of the fact that President Diem is a professed Christian. He is a funny sort of Christian from my point of view. I have talked to quite a few representatives from Southeast Asia, and I believe he is a vulgar fascist who rigs elections as well as, or better than, any communist. According to the news from this area in recent days his days of rule are numbered in Viet Nam because he does not

represent the legitimate wishes of a people seeking freedom and a democratic form of government.

Then in Saudi Arabia the monstrous Ibn Saud rules with mediaeval splendour amongst his slaves and harem, fully supported by a United States government which places the profits of the big oil companies far, far ahead of the rights of man in that area.

Then there was the unfortunate U-2 flight which occurred after the meeting of President Eisenhower with Mr. Khrushchev and which further increased world tension, suspicion, and Mr. Khrushchev's difficulties with China. On Tuesday last I spent a very interesting hour or two with a very important individual, a highly respected gentleman with great knowledge, great understanding and experience. I refer to Right Hon. Philip Noel-Baker. He was telling me about developments in these areas and of his conviction that Mr. Khrushchev wants to develop a policy of co-operation with western governments, a system to curtail armaments and to ease tension. He is opposed by the government of China in this respect, and this unfortunate U-2 flight undermined his influence with some of his own people and made particularly difficult his discussions at this crucial time with representatives of the government of mainland China.

Finally, the latest and most flagrant example of blundering has been the support by the United States government of the counter-revolutionary invasion in Cuba. Canadian opinion in this respect is well reflected in our press today. I should like to quote a few of the headlines:

Kennedy Endorses Efforts of Invaders—*Globe and Mail*, April 19, 1961.

The Cuban Tragedy—*Globe and Mail*, April 21, 1961.

Kennedy Claims U.S. Right to Intervention in Cuba—*Gazette*, April 21, 1961.

U.N. Aghast at Kennedy's Blundering in Cuba—*Globe and Mail*, April 21, 1961.

Kennedy Doctrine Applies to Canada—U.S. Sets Itself Judge of Action to be Taken if Red Threat Rises—*Globe and Mail*, April 22, 1961.

U.S. Top Brass Backed Rebels' Plans—*Gazette*, April 22, 1961.

Global Scales Tipping Against U.S.—*Globe and Mail*, April 27, 1961.

Arab Suspicions of U.S. Intensified—*Globe and Mail*, April 27, 1961.

The minister, when he was speaking, said we must stand by our friends. On behalf of this group—I am speaking for the C.C.F. group this afternoon, and I have their unanimous support and endorsation—let me say that the C.C.F. wants to be friendly with everybody, but our principle should be to stand by what is right first. Speaking on behalf of this group I should like to deal briefly with some aspects of international affairs, and other C.C.F. speakers, if they have the opportunity, will further develop the theme I advance in the limited time at my disposal.

We believe that because of United States blundering in foreign policy in so many areas, the thing for Canada to do is to take a friendly—you can have differences amongst friends—constructive approach to world problems and not to remain silent when those things concern Canadians and threaten world peace, and in so doing give leadership. A large number of nations have a great deal of respect for Canada. This is evident to anyone who travels in Europe or Asia. Canada is highly respected throughout the world. Canada is in a position to use influence to give leadership, and particularly moral suasion.

Now, Mr. Speaker, with respect to disarmament and nuclear tests I should like to say, first of all, that we are glad to give the minister full credit for all his ceaseless, untiring efforts to promote disarmament and the cessation of nuclear tests. I am sure of this, that if it were left to our Secretary of State for External Affairs it would not be long before we would have some sort of agreement. His efforts in this respect have earned the appreciation and gratitude of all Canadians. I hear that stated on all sides, and I have no hesitation in repeating it. Canadians who are mightily concerned about world peace, not forgetting that courageous little group known as the Voice of Women, which I am glad to note has had the blessing of the Prime Minister, have expressed this point of view with regard to the Secretary of State for External Affairs.

In our opinion Canada should continue to support and demand an immediate ban on nuclear tests, both to avoid the hazards of fall-out and as a first step toward nuclear disarmament. We should propose a treaty to establish a non-nuclear club of nations pledged not to manufacture, store, or permit nuclear weapons on their soil, or to use such weapons at any time. In the nuclear age effective disarmament has become a condition of survival. Canada must play a much more dynamic role in the promotion of universal disarmament. To assist in this task a special branch should be established in the Department of External Affairs, adequately staffed by nuclear scientists and other experts for continuous study of the problems involved. We recognize that these problems are involved and complicated.

The minister has frequently said that war is international suicide, and we agree with him wholeheartedly. However, some United States generals do not agree with us, you know, and have suggested that such a statement is an exaggeration of the facts. In their

opinion, in the event of a nuclear war, casualties in the United States would not exceed between 30 million and 50 million.

A few days ago I had a most interesting conversation, as I said before, with Right Hon. Philip Noel-Baker, whose integrity and veracity is unquestioned. We discussed the growing burden of armaments on all mankind. I think all persons will pay tribute to the great work this gentleman has done throughout the years as a member of parliament of Great Britain, for many years a member of the Labour cabinet, as a Nobel prize winner, as a member of various important international committees, and as a member of the Society of Friends.

This is a burden that is increasing from day to day. Total world defence expenditures in 1960 came to $110 billion. Those are all that can really be assessed. In 1914 there were 4 million men under arms, whereas in 1960 there were 16 million men under arms. We are not sure if that figure is accurate; it may be an underestimate. The expenditure on military research in the United States in 1960 came to $8.4 billion. The expenditure on military research in Canada for this year is nearly $45 million. Military research; what does it means? It means research into improving the weapons of war, the weapons of destruction. Military research has helped to bring the arms race to the point of frenzy; indeed, it is the arms race in its most dangerous form.

Therefore we urge every effort to reach an agreement that will provide adequate inspection and include all important states, and that will also prohibit all forms of military research and development with the testing of new weapons and training in their use. If only military research were ended and the world scientists with their present funds and equipment diverted to peaceful projects, there is no limit to the benefits which they might bring to mankind and which mankind throughout the whole world is earnestly seeking.

I now have a few words to say about NORAD and NATO. Yesterday the minister quoted from the memorandum of the Canadian Labour Congress to the government of Canada this year with what I took to be a certain degree of relish. However, let me say this. While there may appear to be some varying opinions as to the application of our socialist principles to international affairs, let me inform the minister they simply arise from minor differences in the assessment of the present situation and as to certain facts. I am sure that he and many others will be surprised with the unity of principles, policy and purpose that will be demonstrated by the progressive democratic political forces in Canada in the very near days ahead.

Mr. Pugh: Well read.

Mr. Herridge: The hon. member for Okanagan Boundary said "Well read". I am using extensive notes on this occasion, Mr. Speaker, because I have a great deal to say in a short period. The hon. member knows that it is not my habit to read my speeches. However, I want to be as exact as possible. This is an extremely important subject, and I want to convey our views as fully as possible in the time permitted.

Some hon. Members: Carry on.

Mr. Herridge: I wish to say a word or two with respect to NORAD. The revolution in weapons technology makes two facts obvious to reasonable men. The first is that annihilation is now a physical possibility. The second is that there is no direct defence against nuclear missiles. Therefore in our opinion policy must be based on these realities. Canada should cease wasteful expenditure on obsolete weapons. NORAD was intended to meet the threat of manned bombers. In the age of missiles, it is obsolete. Therefore in our opinion the NORAD agreements should be terminated.

Canada must make a general and searching reappraisal of its defence role. We should institute a major reduction in defence expenditures as a first step toward peace and to release funds urgently needed for economic aid abroad and social progress at home. Just think of these facts, Mr. Speaker. The direct costs of NORAD in 1961-62—that is this fiscal year—will be $182,127,000. The direct costs of NATO in this fiscal year 1961-62 will be $455,545,000. They have been going up increasingly since the establishment of NATO. Just compare those figures with that of nearly 700,000 unemployed. We in the C.C.F. unhesitatingly say that we believe these large sums can be more fruitfully spent in providing employment at home and assistance to underdeveloped nations abroad.

I now wish to say a few words with respect to NATO. NATO has played its part in the maintenance of western European security. However, it has concentrated on a military role and has failed to adapt its policies to the growing importance of the economic and social front in the present world struggle. We believe that the extension of nuclear weapons to any further states and organizations threatens disaster to the world. We therefore oppose Canadian troops being supplied with such weapons at home or abroad.

My time is limited, Mr. Speaker. The leader of this group has placed on the record the C.C.F. position with respect to NATO. It can

be found in *Hansard* for March 28, 1961, at pages 3443-3444. As I said, my time is too limited to permit recapitulation of this policy and the reasons for it. Suffice it for me to say at this time that this policy was adopted at the C.C.F. national convention held in Regina in 1960, and is supported by the British Columbia federation of labour, the Vancouver labour council, nearly all unions in British Columbia whether they are in the labour congress or outside it, and by dozens and dozens of local unions across Canada that have written to our office expressing their support.

I now want to say a few words with respect to Cuba. Without a doubt many Canadians are disturbed with recent events in Cuba and the policy of the United States government. This concern is reflected in editorials in numerous Canadian newspapers. To illustrate this concern I quote from three of them. First, the Vancouver *Province*, which normally supports the Progressive Conservatives, in April, 1961 had this to say. I quote only briefly because of lack of time. The editorial is headed "A Continent of Cubas" and reads in part as follows:

A most disturbing aspect of the Cuban crisis is its further development of a pattern already apparent in most South American nations.

The Castro revolution was neither a freak of chance nor a malignant communist plot. It was the logical outcome of the conditions that created it.

And again:

The misery of the masses and the corruption of the government (are) surely producing a revolution.

As in Cuba, the communists are confidently standing by ready to aid, assist and guide the revolutions when they come. And undoubtedly to assist in triggering them when the time is ripe.

But the revolutions are not made in Russia. They are home grown.

And unless the western world can find some effective and speedy method of achieving peaceful and friendly revolutions there, we are likely to find a continent of Cubas on our doorstep.

Next I quote from the Toronto *Daily Star*, which normally supports the Liberals, our friends to the left. The date of the editorial is April 22, 1961. It was sent to me directly by one of the editors of the Toronto *Daily Star*, hoping that I would use it. We welcome this support.

Mr. Martin (Essex East): It arrived this morning.

Mr. Herridge: It arrived three or four days ago in my case. The hon. member no doubt received the ordinary general run issue. The editorial is dated April 22, 1961, is headed "Does Latin America Want Liberty?" and reads in part as follows:

President Kennedy has asserted the right of the United States to intervene anywhere in this hemisphere to block communist penetration, with or without the consent of the country directly involved.

This arrogant doctrine mocks the independence of the western hemisphere states, including Canada. It is of course, aimed particularly at the Latin American nations, and it is proclaimed in the sacred name of liberty...

Cuba before Castro was a green pasture for American sugar and oil corporations, a jackpot for American racketeers behind Havana's gambling dens and brothels, and a sunny playground for American tourists. But it was a mean country for most Cubans.

Then it goes on to say this:

There ought to be a lesson in this for Mr. Kennedy and his countrymen and indeed for all the richer nations. The revolutionary trends in Latin America and other hungry areas will not be stopped by crying "freedom", by threatening or using force, or by adopting the communists' dirty tactics, as Mr. Kennedy now seems to favour.

Then I come to the *Globe and Mail* of today, April 27. The editorial is headed "Global Scales Tipping Against U.S." and it reads in part as follows:

Slowly, but with a grim and constant sureness, the global scales are tipping against the United States. Even the cautious Japanese have come out with blunt condemnations of President John F. Kennedy's Cuban policy.

Then from the *Globe and Mail* again under the heading "Arab Suspicions of U.S. Intensified", we find the following:

Cairo—Viewed from Cairo, one of the greatest and certainly most articulate of neutralist capitals, this April is proving a black month for the west.

I could quote from other editorials all across Canada and in Great Britain but time will not permit my doing so. Serious concern is also being expressed in Great Britain, and British Labour party members are suggesting that an inquiry into all aspects of the counter-revolutionary attack on Cuba should be undertaken by the United Nations. Canadians are very concerned. We strongly urge the government first to protest to the United States against its policies with respect to the recent counter-revolutionary attack on Cuba; second, to express complete disagreement with President Kennedy's interpretation of the Monroe doctrine as permitting direct intervention by the United States in the affairs of another state; third, to urge the use of the facilities of the United Nations and the co-operation of the organization of American states to assist in the development of a stable Cuban economy and the promotion of democratic and free, parliamentary institutions in that country.

I was very glad to receive a press report on a resolution adopted by the general assembly on April 24 which deals with a complaint by the revolutionary government of Cuba. I have only time to say that in the resolution the following is mentioned:

The representatives are deeply concerned over the situation disclosed therein, which is disturbing world public opinion and the continuation of which could endanger world peace.

The final sentence is:

> The general assembly exhorts all member states to take such peaceful action as is open to them to remove existing tension.

In this field, again, we urge Canada to use its good offices and good will in the peaceful ways suggested to bring this situation to a satisfactory conclusion.

The minister mentioned the Columbia treaty. I have not time to deal with that now; therefore I will have to deal with the minister's comments under an appropriate item of the estimates of his department.

Before concluding I want to say a word or two about the commonwealth. The stand condemning racism taken recently by the commonwealth increases opportunities for enlarging the role of this unique association of peoples. We have no hesitation in saying that the members of this group are great supporters of the commonwealth and of the greater role it could play in the days ahead in working for world peace. The multiracial and geographically dispersed character of the commonwealth fits it ideally for the role of increasing co-operation among divergent parts of the world, thus reducing the dangerous effects of the cold war.

Therefore we say that Canada should support ever more effective consultation among the members of the commonwealth, both within and without the United Nations, and in so doing provide a strong and united moral force which could be very effective, we believe, in promoting the efforts toward world peace.

The minister mentioned that the United Nations is the world's most important organization. We agree with him. The minister said that without the United Nations civilization would soon revert to savagery. We agree with those words also. It is because of this appreciation of the United Nations throughout the years that this group has emphasized the need for Canada to focus its civilian and military efforts on the general assembly and the agencies of the United Nations.

The United Nations represents the hope of progress toward a durable peace for all as the only existing, nearly universal, instrument of international conciliation. The C.C.F. again pledges its full support to every measure designed to enhance the prestige, authority and jurisdiction of the United Nations and all its agencies. Canada is obligated under the United Nations charter—

> —to make available ... armed forces, assistance and facilities ... for the purpose of maintaining international peace and security.

In our opinion it is time for us, in concert with other middle and smaller powers, to insist that the general assembly find ways to create a permanent international police force. Canada should immediately create a well-equipped mobile force at the call of the United Nations.

The United Nations agencies, in our opinion, should form the major channel for providing international economic aid. This is important both to strengthen the world organization and because it would avoid placing recipient nations under an obligation to a single power. Some nations do not like being obliged to another nation. The immensely increased aid program which the C.C.F. proposes should therefore be directed accordingly.

Canada should base its votes in the United Nations on the merits of the issues rather than, as it has done on occasion in the past, particularly in some years, on bloc alignments.

It is obvious that the United Nations cannot be truly effective so long as a major world power is denied membership. We believe Canada should recognize the People's Republic of China and support its admission to the United Nations. Recognition does not involve approval of China's system of government. We have said that repeatedly. However, a non-recognition which seeks to isolate China adds to world tensions, makes the settlement of major international issues, such as disarmament, difficult if not impossible, and is totally lacking in a sense of reality. We should not shirk the difficulties when we have to do something like this. We have to start to blaze the trail in this direction.

The C.C.F. welcomes the addition of many new nations to the councils of the United Nations and warmly congratulates their peoples on their freedom from foreign rule. By economic aid, appropriate trade policies and increasingly closer relations within and without the United Nations, Canada should support their independence, integrity, sovereign rights and growth.

We realize the great difficulties which face any person in the position of the Secretary of State for External Affairs. He has our sympathy and our support, and we wish him well in all he undertakes for the welfare of the people of Canada and all he endeavours to accomplish in order to bring about a goal that looks somewhat distant at the present time, but a goal we must continue striving for, that of universal world peace.

In conclusion, Mr. Speaker, we urge the Canadian government to accept its full responsibility; to accept the unique challenge offered today—and it is unique because of our position and our moral force in the world —to give leadership to all those nations that hold Canada with affection, in great respect

and high regard, and who seek some guidance from us, to march with us along the road to peace.

Mr. F. C. Stinson (York Centre): Mr. Speaker, in following the eloquent hon. member for Kootenay West I should first like to say that the good wishes he expressed on behalf of his group to the distinguished Secretary of State for External Affairs are shared, I think, by all hon. members of the House of Commons.

As the Secretary of State for External Affairs spoke yesterday I was impressed by the fact that in many different fields the minister himself has made a very important and useful contribution. He has been an excellent spokesman for Canada, an inspiring leader at the United Nations, where I have had the privilege of observing him at work, and an initiator of policy. This afternoon I hope to persuade him and the hon. members of the house that this is a good time for Canada to make economic aid to the less rapidly developing countries the major initiative of Canadian foreign policy.

I know that determining Canadian foreign policy, political, economic and military, is an extremely complex matter. Certainly there are few things more difficult than deciding how our country should play its part as a member of the western defence alliance. Since our very survival is bound up with this question, our very best efforts must be devoted to building up the right kind of deterrent forces to prevent war. Many responsible persons believe that the arms race increases, rather than decreases, the chances of war breaking out. Then we all know that making weapons is a terrible waste of resources.

At the United Nations General Assembly last fall the Prime Minister of New Zealand said that 11 per cent of the productive capacities of the world are being used to produce armaments. For these and other reasons I think it was right for Canada to make disarmament one of its main objects at the recent session of the United Nations general assembly.

Many proposals were put forward, but none of them will have any effect unless the major powers are prepared to sit down and negotiate. Much as I would like to be optimistic about the possibilities of serious negotiations in the near future, I must say that the facts of life do not support optimism in this regard. I do not think there is going to be any serious negotiation on disarmament for some little time. Certainly nobody can take any satisfaction from the fact that it has been agreed that the subject of disarmament will be discussed in the early stages of the sixteenth assembly, because in that period millions of dollars will be spent in all parts of the world producing things which have no purpose other than to destroy people and resources.

I recommend that economic aid to less developed countries should be Canada's major initiative in the 1960's for the following reasons. We are not one of the main military powers and because of this, in world politics, our role must be one of an ally, an intermediary, and from time to time a spokesman for Canada and other middle powers. This has been said very often.

Canada does not have the reputation anywhere of wanting the territory of other countries for military bases or for any other purpose. I do not think there is very much anti-Canadian feeling in the areas where our aid projects have been carried out. In the uncommitted countries I am informed there is a tendency for people to look at aid from the United States or the Soviet union as having a political objective.

The next reason is that we should do what we can, and I think there is great potential in Canada in this purpose, to stamp out some of the causes of war, and I refer to the unrest and dissatisfaction that grow among people who are hungry, ill-housed and illiterate. To this I would join the reason that we should help these people on humanitarian grounds.

In January of this year I was in Hong Kong, and I think most hon. members would come close to weeping if they saw the condition of thousands of refugees in that city. In that splendid book "To Plough with Hope", Donald Faris tells us something about the distribution of food in the world. He points out that about 60 per cent of the world's population is living on a near-starvation diet. That is less than 2,200 calories per person per day. These people, if placed side by side two feet apart, would circle the world 25 times. To get an idea of the size of this population I would suggest the following: to pass them in an automobile, if they were standing two feet apart in this manner, would take three and a half years driving 10 hours a day at the rate of 50 miles per hour.

Another argument is that raising living standards in the less developed parts of the world will provide greater markets for Canadian goods. This point, among others in this connection, has been made in the House of Commons on another occasion by the hon. member for Greenwood (Mr. Macdonnell). Instead of fighting to get a larger piece of the existing trade pie, why not do something to increase the size of the pie?

While the phrase may sound somewhat empty, I think an expansion of Canada's economic aid program would give us a chance to strike a blow for freedom and for free institutions. Let us do something to show

that while we in the west may be second best in the race to get a man into the heavens, we are the best when it comes to helping ordinary people on earth have a more abundant life.

Canada can well afford the program I shall refer to in a few minutes. This is a rich country, and the temptation is that as we become richer we become less concerned instead of more concerned about the problems of the poor.

Barbara Ward, the eminent economist, to whose recent book, "India and the West" the hon. member for Essex East (Mr. Martin) made reference yesterday afternoon, writes in this book the following:

> From the beginnings of recorded time, rich men and rich classes have had to face the risk of being so swamped in their own affluence that they lose any sense of purpose in life or any capacity for undersanding imaginatively the woes of other less fortunate human beings. Triviality and a closed heart have proved the bane of careless wealth from the great banquet of Belshazzar down to the latest ducking of Hollywood starlets in swimming pools full of champagne. The fact that now whole communities share in the affluence does not make the temptations any less insidious.

It seems to me that if the Canadian people are given strong leadership in this matter some of their affluence can be put to work in the less developed areas.

Compared with other countries of the west Canada has a fairly good record in foreign aid. Since the last war federal government financial assistance abroad amounted to about $4,549 million. Recently, most of our aid has been given under the Colombo plan which will be ten years old on July 1, 1961. By that time I hope the new external aid office, under the businesslike direction of Mr. H. O. Moran, a distinguished member of the Canadian foreign service, will be well established and properly staffed, and that from that date our country will move forward with an aid program which will be carefully defined and made into one of the main policies of the government. I think the Canadian people will respond enthusiastically to such a program. The purposes of the aid program must be described in a way that will command respect and attention, but it is much more important that the program itself be efficiently carried out.

While maintaining its contribution to the many multilateral and international aid and financial agencies, I think the government should concentrate on three fields, and make our effort here really productive and effective. The first is the economic assistance programs of the United Nations. The Prime Minister (Mr. Diefenbaker) of this country is the author of two important initiatives taken by Canada at this session of the United Nations assembly; the food bank and the OPEX proposal. That is the proposal for making available, through the United Nations, operational, executive and administrative personnel for service in less developed areas. Each of these resolutions was passed unanimously by the assembly, and I was pleased to find out yesterday that the technical advisers to the director general of the food and agricultural organization perhaps better known as FAO have, within the past fortnight, approved a draft resolution which looks forward to the early setting up of depots close to areas where there might be crises in the matter of food supplies.

It is very pleasant to see that the results of those long and sometimes very tedious deliberations in the second committee of the United Nations are now coming into sight. To do this work, however, and to make it known to the Canadian people—and this is an important facet of the work—will require that the men and women working in the field be highly qualified, and that the information officer at the United Nations make an effort to give publicity to the work of the second committee.

I would like to recommend that a group of foreign service officers be specially trained as career people in the economic aid field and kept in this field. I say that it is an inefficient use of manpower to try to make our foreign service officers jacks of all trades. We should train a group of specialists in western Europe, specialists in Latin America, specialists in the Far East and specialists in economic aid. People who have been in Paris or Rome for two or three years cannot be expected to come back to the external aid office and immediately become experts in this highly technical field. Conversely, a technical assistance man is not very useful for the first few months when he is shipped to an embassy in western Europe. I shall have something to say on the question of information in a few minutes.

The second aspect of Canada's aid activities which should be given emphasis is direct grants for capital developments. Of course, if part of the money is used for purchase of Canadian equipment, so much the better. But the great need in a country such as India is foreign exchange to be used for obtaining raw materials, the purchase of equipment, machinery and for buying the services of experts. The Indians are a proud people, with an ancient civilization, who have made great contributions to the world, including the western part of it. In some instances they may wish to commit themselves to repay those grants, and arrangements might be worked out for 40-year loans at, say, an interest rate of 2½ per cent per annum.

To make the substantial loans that are needed, however, will require that more money be made available. President Kennedy recently called on the western countries to devote 1 per cent of their gross national product to assist in developments in the less highly developed countries. It would appear that this would require that Canada's share be something of the order of $360 million. Other formulae have been proposed. An authority in the economic aid field has recently suggested that the so-called "have" countries give 1 per cent of their national income. This would make our annual share about $250 million. No matter what formula is applied, the figure will be substantially greater than the amount we have been accustomed to devoting to foreign aid. Including private investment in less developed countries, the figure has never been above one half of 1 per cent of our gross national product. A columnist has recently pointed out that in 1959 we spent 2 per cent of our gross national product on tobacco and 2½ per cent on liquor.

It seems to me that we must bring home to the individual Canadian the importance of this aid program. I suggest that one way to do this is to impose a personal income tax of 3 per cent on his taxable income. This would mean that a man with a taxable income—I do not mean gross income—of $4,000 would pay $120, and the total raised by this method would be about $240 million. With this kind of money available for economic assistance, Canadians, I believe, could then go about their business with a little better conscience.

The third field which I think should be expanded is that of giving assistance and advice to volunteer agencies engaged in foreign aid projects. I advocate the appointment of a volunteer agencies officer in the external aid office whose responsibilities would be the following:

(1) To supply information to individuals and agencies as to the names, positions and duties of officers in foreign countries who have to do with economic development, public administration and education.

(2) To maintain in digest form and to keep up to date a record of Canada's economic aid program.

(3) To maintain a record of the work of volunteer agencies in the field of foreign assistance.

(4) To publish from time to time in brief form an account of the aid projects of western countries and those of the Soviet bloc countries.

(5) To assist individuals and volunteer agencies to work in co-operation with the director general of the external aid office.

I belong to a party, Mr. Speaker, which is for free enterprise and individual initiative and against paternalism. I think that by using free enterprise and individual initiative we in Canada can help those in the less rapidly developing countries to help themselves. I am not at all impressed by people who think up bright ideas for foreign aid projects and then abandon them when they find that the government is not prepared to put up the money. However, I think that, if given leadership, there are many Canadians who would like to contribute their talents and substance to well-conceived aid projects.

May I refer briefly to three of these. The first is the African students foundation, established a few months ago by Professor Ronald Cohen and a few associates, which is providing money and facilities for training of African students in Canada.

It is said that in 1956, in all the countries of Africa, excluding only Egypt and the Union of South Africa, with a population of 186 million people, there were only 14,000 students in institutions of higher learning. Until the new African countries can build up their own institutions of higher learning, I hope that Canadian institutions, with the help of the African students' foundation and other agencies, will be able to accommodate all the students from Africa who desire to come to Canadian universities for their training.

The second project to which I should like to refer is that of the Canadian freedom from hunger committee, whose work is described in the March *News Letter* of the United Nations association in Canada. Mr. Wilson Woodside, chairman of the organizing committee, said of this project on March 22:

> **This campaign is not one for handing out relief; it is soundly based on self-help. The basic idea is to make the poor farmers of the world into better ones.**

The committee has very ambitious plans, but because the people associated with them are well informed, enthusiastic Canadians I expect the plans will be carried out.

The final private agency I wish to speak about is Canadian Overseas Volunteers, with which I have had some association in the last six months. The Canadian Overseas Volunteers is an organization which, by the way, is much further advanced in its planning than the American peace corps, which I had an opportunity of examining in Washington 10 days ago. The objective of the former organization is to send recent Canadian university graduates of high intellectual and moral calibre to serve as volunteer technicians in the less-developed regions of the world. The volunteers will work within existing programs of development and welfare under the

direction and administrative control of local private or governmental agencies.

The aims of the project are to provide inexpensive service to these countries and, equally as important as the first objective, to give these young Canadians the advantages of learning something of the culture and the conditions of life of people in the countries in which they will serve. Under the direction of Professor Nathan Keyfitz a course of instruction was given to some 35 volunteers this spring and 10 young men and women have been chosen for the first year's project, which will be service in India, Ceylon and Sarawak. At Laval University the affiliated association, "Volontaires Canadiens Outremer," is now engaged in setting up a course of study and calling for volunteers. The financing of this operation is through voluntary contributions, and no federal assistance is being requested.

One hesitates, Mr. Speaker, to use dramatic language when discussing these matters but sometimes it has some value. I think, for instance, of President Kennedy's recent statement that if we in the west cannot help the many who are poor we shall never be able to save the few who are rich. What are really needed are not clarion calls but rather sacrifice and hard work. There is much to be done by government and by individuals. I should like to read the last four lines of Barbara Ward's book, "India and the West", and when I do this I will be through. When considering the matter of foreign economic aid I think we should keep in mind these lines:

> It is our fortune at this point of crisis to have all the physical resources that are needed to create a new world of opportunity. It is our tragedy that we may lack the vision and the will.

(Translation):

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, in compliance with the request of the Secretary of State for External Affairs (Mr. Green), that members take part in the debate on the activities of his department—when he referred to the members who were present at the meeting of the commonwealth parliamentary association, of other NATO associations and the international parliamentary association union—I felt I should make my own contribution by telling the house my personal impressions of my visit to the United Nations in the fall of 1959, where I was present as an observer.

I should like first of all to extend congratulations to the Secretary of State for External Affairs, as did the Conservative members.

I must indeed express my gratitude to the secretary of state for the kindness and courtesy he showed us during our visit to New York. Thanks to the minister, our stay was as pleasant as it was useful. I thank him sincerely.

Before dealing with external affairs proper, I should like to say a few words about the knowledge of languages of external affairs officials, both in Ottawa and abroad. For this purpose, I refer to the brief published by the "Conseil de la vie française en Amérique" on the Canadian Department of External Affairs. On page 10 there is a reference to the number of departmental employees in Ottawa. According to this document, out of a total of 217 employees, 174 are English-speaking Canadians, of whom 7.5 per cent are bilingual, while there are 43 French Canadians, all of them bilingual.

I could quote other figures with regard to our representatives in other countries, but I shall merely ask the house to let me put on the official record some 15 lines of text.

(Text):

The Acting Speaker (Mr. McCleave): Has the hon. member permission of the house to have 15 lines of text included in *Hansard* without reading them into the record?

(Translation):

Mr. Pigeon: Mr. Speaker, since it is only a matter of 15 lines, perhaps the hon. member for Drummond-Arthabaska (Mr. Boulanger) might wish to read them?

Mr. Boulanger: It would be better to have them printed in *Hansard,* since they contain a lot of figures.

(Text):

The Acting Speaker (Mr. McCleave): Perhaps the hon. member would give the source first.

(Translation):

Mr. Boulanger: Mr. Speaker, I referred to the source of my information in my opening remarks, but I would not mind repeating it. I am referring to the brief on the Department of External Affairs of Canada submitted by the "Conseil de la vie française en Amérique" under the leadership of its president, Mr. Paul Gouin. This appears on page 10.

I am making these remarks to show the meagre part which is that of the French language in that department, a part which is definitely unsatisfactory from the national as well as the international point of view, since Canada is a bilingual country.

During my six weeks at the United Nations, I can boast of having been the only representative of this house who could converse in both our official languages.

I think it would be in the interest of Canada's prestige if at least half of the members who go to New York each year to represent our country could at least converse in the two official languages. That is

the suggestion I make to the minister of external affairs and I ask him to give it its full attention.

Mr. Robert Lafreniere (Quebec-Montmorency): Mr. Speaker, may I ask a question of the hon. member for Drummond-Arthabaska? Does he not remember that I was at the United Nations in the fall of 1959 when he was there, and that I also can speak French and English?

Mr. Boulanger: Mr. Speaker, I can see that the hon. member for Quebec-Montmorency did not listen to my remarks, because I clearly said "during the six weeks I attended the proceedings", and, if I remember correctly, the hon. member arrived in New York one or two days before I left.

Mr. Speaker, that six-week period I was able to realize all the good the United Nations has accomplished in the 15 years it has existed.

I was also able to realize the splendid work that the countries which have inherited from Providence a higher civilization, a prosperous economy and an almost unlimited wealth have done in their efforts to promote peace.

I also saw the great spirit of understanding and fraternity of most of the delegates, and particularly those from western countries and Latin America. That spirit was reflected in a special way during the proceedings of the general assembly in 1959, under the distinguished chairmanship of Mr. Victor Belaunde from Peru. At the end of the session Mr. Belaunde said the assembly had been an assembly of peace. I feel it is proper to remind the house that the Leader of the Opposition (Mr. Pearson) did great honour to our country when he occupied that chair.

On the other hand, I was able to realize the difficulties encountered by the United Nations in the solution of the problems of underdeveloped countries suffering from hunger. While the problems have not all been solved, the results obtained so far are gigantic.

It must in fact be remembered that, in 1945, most African countries were either under colonial rule or under a protectorate or mandate not much different from colonial rule. The rush toward sovereignty in 1960 and 1961 is certainly epoch-making.

The movement of emancipation which is sweeping Asia and Africa cannot be reversed and, for the good of mankind we should give it our full support. Then, too, it is noteworthy that the emancipation which has taken place in Africa has taken place peacefully, contrary to what was happening before the establishment of the United Nations.

There is a point I wish particularly to bring to my colleagues' attention. It has to do with the United Nations Food and Agriculture Organization, known as the FAO. This organization was set up with the hope, expressed in the Atlantic charter, that a state of peace would be established which would ensure to all countries freedom from want. Today, chiefs of state, social workers, and economists are rightly concerned with the problems the world will have to face if no help is given to starving populations. This situation was described in the autumn of 1959 during a conversation on T.V. between the prime minister of England and the president of the United States. The prime minister of England was speaking about countries with underdeveloped economies, and Mr. Eisenhower, then president of the United States, had this to say:

> In a way, I believe that the problem of the underdeveloped countries is more flexible and important for western civilization than that of the differences and quarrels between Soviet Russia and the western world. Today, 1,700 million human beings lack adequate food, shelter, and health services. Those people will not remain silent forever. They become aware of their fate and they compare it with ours. Unless we help them, they will eventually blow up. I think that the chief co-operative task facing the so-called civilized world, including the Soviets, and which the whole world should undertake together, is to see that the legitimate aspirations of those peoples are fulfilled. It is a problem in which everyone of us should take an interest, to see what he can do and how he can share in it.

And Mr. Macmillan went on:

> I think, as you do, that it is not fair that we and our fellow citizens should enjoy all those things we have, houses, hospitals, education, etc. while those people are reduced to poverty and misery . . .

That is the most crucial problem that the world must face at this time. Already someone has described this situation as a real panic. In fact, while the rich nations, with a population of 400 million, whose annual income amounts to approximately $1,000 per person, and is as high as $2,000 in the United States, one billion people in Asia, Africa and Latin America, without mentioning communist China, must be satisfied with an annual income of $60, which hardly increases and is even growing less in some countries.

One has only to read the press reports and United Nations publications to realize the state of destitution existing in the world.

In the matter of food, it is recognized that the minimum number of calories needed by people in temperate countries is 2,700, but this figure may go as high as 4,500 according to the nature of the work performed. However, in underdeveloped countries, the ration is generally between 2,700 and 3,300 calories. In other words, 50 per cent of the the average consumption is 1,570 to 2,300 calories. In other words, 50 per cent of the population of the world is getting less than the bare minimum of calories to survive.

In the matter of health, world-wide disease control programs have been set up under the UN, with wonderful results. However, much remains to be done before adequate medical and hospital care is provided.

Whereas in the United States there is one doctor for every 800 people or so, and one hospital bed for every 101 people, and in Canada there is one doctor for every 950 people and one bed for every 77 people, in underdeveloped countries, there is only one doctor for 20,000, 40,000 and even 70,000 people, and one bed for 1,000, 2,000 and up to 3,000 people. If you add to that the fact that the ratio of illiterate people over 10 years of age varies from 40 to 90 per cent, you realize in what position mankind finds itself in facing the most fearsome economic problem, with its social, political and racial implications.

While the situation is of course serious, according to some humanists, what is worse is the indifference and perhaps also the ignorance of some people with respect to world politics. Canada carries its share of responsibility in that respect.

The immediate surpluses now owned by the "have" countries would only be a drop of water in an ocean of poverty, if we decided to give them away.

It must be recognized that commendable efforts have been made by the United States and Canada to find a means of meeting the basic needs of the "have not" countries.

The Prime Minister (Mr. Diefenbaker) suggested, at a meeting of the NATO countries in 1957, that an international food bank be set up.

In early November 1959, the Minister of Agriculture (Mr. Harkness) made certain suggestions to the F.A.O. in Rome, but apparently met with little success.

Today, however, now that the government has decided to dispose of agricultural surpluses and restrict agricultural production, the Prime Minister and the Minister of Agriculture seem less interested in pushing this food bank idea.

Canada would find itself in a ridiculous position today if we were called upon to supply products other than grain.

We did have pork surpluses. We were told a short time ago that we had 35 million pounds of surplus pork, but those reserves have been sold, and we no longer have a pork surplus. Perhaps we still have a surplus of butter and milk powder. With Canada's present agricultural policy, it can be said that we have practically no surpluses left to give away or distribute to starving countries.

And what will we be able to supply, a few months hence, in view of the defeatist policies now being followed by the present Minister of Agriculture in regard to price supports? We will be lucky if production can be maintained at a level adequate to meet our own needs and fill the orders from our remaining export markets.

It is true to say, and I quote from an editorial published in *Terre de Chez Nous* for May 6, 1959, that:

> Every time agricultural surpluses reach a level substantially higher than the commercial marketing opportunities, we are given a great show. In the forefront are groups whose true intentions are camouflaged under high-sounding phrases. Government authorities quickly lose their heads and adopt measures that are often half-baked.

What an about-face since the statements made by the Prime Minister in 1957, when speaking in Saskatoon, as reported in the *Western Producer* for September 10, 1959.

(Text):

> To those who think that in agriculture we have arrived at a point where we need no longer expand I say to you this: I learned one lesson at the commonwealth conference in London.

The Acting Speaker (Mr. McCleave): Order. It seems to me that the hon. member is leaving the field of external affairs and is proceeding to a discussion of domestic agricultural production policy. Perhaps he could explain how it is related to the debate currently before the house.

(Translation):

Mr. Boulanger: Mr. Speaker, I want to show this house that agriculture is related to external affairs because we must contribute food to underdeveloped countries. Besides, if we were forced to provide food to those people today, we would be late.

The Prime Minister said this at the Saskatoon conference:

(Text):

We must expand our agricultural development. With one quarter of the world's population going to bed hungry at night, methods must be found to enable the distribution of our surpluses to the end that happiness will come to the people of the world.

Together we must preserve the peace of the world and hold ourselves through agriculture as a bulwark against communism.

(Translation):

The Prime Minister could just as well have said, as the chairman of the Canadian Federation of Agriculture stated recently in Toronto:

At the present time, it should rather be said that there is not a surplus actually, but a cumulative unbalance between food production and world marketing methods.

Mr. Speaker, if the prestige acquired by Canada during the difficult war years of 1939-45, during the Korean war and the Suez crisis is to be preserved, the present government must devote its intelligence and all its power to the development of a food distribution plan to feed the 35 million babies who are born each year and doomed to die of starvation.

The chairman of the Canadian Federation of Agriculture made a suggestion with which I quite agree, that is to create a committee of the best experts in this country to study and analyse the discussions held in Rome by the world organization for food and agriculture, and make recommendations to be submitted at the next meeting.

I endorse that proposal urging authorities to think it over seriously and to take positive action as soon as possible.

The assistance provided by the distribution of food to underdeveloped countries would surely be quite helpful, but they will also have to be provided with financial means to equip and educate themselves so that they can progressively develop their agricultural production and become self-sufficient.

Canadians in general have made great financial sacrifices to help those starving countries by their participation to the Colombo plan and other assistance organizations. Others have sacrified their youth, their intelligence, and perhaps social benefits that would have accrued to them from a profession in our country, to devote themselves to the evangelization and education of those peoples who are entitled to share the spiritual and temporal wealth of this world. I refer to our Catholic and Protestant missionaries, those ambassadors of civilization and peace who are dispersed in all countries of the world and for whom we have had too little sympathy, gratitude and encouragement.

Who has not heard about the tremendous work they have done in certain countries of Africa and Latin America where the communists use all their energy and spend enormous sums of money to sell their evil ideology.

The situation is serious and urgent; no effort should be spared if we are to preserve peace and upset communist influence in the world.

To back up my remarks, I will read what Mr. Sen, the director general of the United Nations Food and Agriculture Organization said on January 22, 1959, in Rome:

Vast regions of Asia, Africa and Latin America accounting for more than half the world's population are starving. Their food is inadequate both in quality and in quantity to insure their health, growth and physical strength. This is the most serious human problem of this century.

Our future is at stake. What will be the world situation 25 years from now, if we do not act now?

(Text):

The Acting Speaker (Mr. McCleave): Order. The hon. member had asked during his speech for permission to have printed in *Hansard* some 15 lines from the department's report. I do not think the house properly disposed of the matter at that time. Does the hon. member still make the request?

(Translation):

Mr. Pigeon: Mr. Speaker, will the hon. member permit a question?

Mr. Boulanger: With pleasure.

Mr. Pigeon: The hon. member referred a moment ago to the situation of bilingualism in the Department of External Affairs. Could he tell the house what he thinks of the attitude of his leader when he was secretary of state for external affairs and used to delay the publication of French releases by his department?

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

Mr. Boulanger: This is an unfounded statement of the kind the hon. member for Joliette-L'Assomption-Montcalm usually makes.

Mr. Pigeon: Mr. Speaker, I rise on a point of order. It is not an unfounded statement; I found that information in *Le Devoir* of 1957.

Mr. Boulanger: I asked the house at that time the authorization to have some 15 lines printed in *Hansard.*

(Text):

The Acting Speaker (Mr. McCleave): Could I ask the hon. member, further, if this was a report, or a section of a report which dealt with figures or statistics, or was it simply a factual statement?

(Translation):

Mr. Boulanger: Those are statistics.

(Text):

The Acting Speaker (Mr. McCleave): Has the hon. member permission of the house to have the 15 lines of this report printed in *Hansard* as part of his speech?

Some hon. Members: Agreed.

(Translation):

Mr. Pigeon: I object.

(Text):

Mr. Martin (Essex East): Mr. Speaker, the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) now says he objects. I think the hon. member, who is fair-minded, will recall that he sat here a few minutes ago and finally agreed to it at the time.

An hon. Member: No.

Mr. Martin (Essex East): The hon. member was sitting next to the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) at the time. While I think there can be no objection to you, Mr. Speaker, asking for the consent of the house, as you are now doing, I think there is no doubt that at the time there was full concurrence on the part of the house.

There was some doubt on the part of the hon. member for Joliette-L'Assomption-Montcalm, but he later agreed. It is true that he now expresses his disagreement, but I suggest to him that, having earlier taken the position that I say to him he did take, it is not now open to him to take a contrary position.

(Translation):

Mr. Pigeon: Mr. Speaker, I have not even come close to agreeing. And I stand by my decision.

(Text):

Mr. Caron: On the point of order, Mr. Speaker, when we were under the impression that consent had been obtained and the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) had not said he was opposed to it, the reporters received the pamphlet and they have gone with it. Therefore it would be impossible for the hon. member for Drummond-Arthabaska (Mr. Boulanger) to read it; it has gone up to the reporters' room.

Mr. Comtois: Mr. Speaker, would it not be just as well to give the hon. member for Drummond-Arthabaska the privilege of reading it, so as to dispose of the whole matter?

An hon. Member: It has gone to *Hansard.*

(Translation):

Mr. Boulanger: Mr. Speaker, when I was discussing figures, I mentioned some of them and asked the house to authorize the printing of 15 lines or so of that text in *Hansard.* There was no objection then—

Mr. Pigeon: I objected.

Mr. Boulanger: —since the publication was fetched and I no longer have it so I cannot read it.

Mr. Dupuis: Mr. Speaker, I would like to call the attention of the house to the fact that, when the hon. member for Joliette-L'Assomption-Montcalm objected, he was not in his seat. Therefore, according to standing orders, he could not have been recognized by Mr. Speaker, because an hon. member should then be in his seat. He did not make that objection in his seat, since he was in front. Therefore, according to standing orders, he could not be recognized by the Chair.

Mr. Pigeon: I am pleased to hear the hon. member contradict his colleagues but—

(Text):

The Acting Speaker (Mr. McCleave): Order. The Chair did recognize the remark of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) at that time objecting to the printing of these figures.

I put the question to the house again. Does the house give its unanimous consent to the request of the hon. member that these figures, which I understand are statistical and cover about 15 lines, be printed in *Hansard* as part of the hon. member's speech?

Some hon. Members: Agreed.

(Translation):

Mr. Pigeon: I object.

(Text):

The Acting Speaker (Mr. McCleave): Agreed.

[*Editor's note: The table above referred to, follows:*]

(Translation):

Schedule II

Language Qualification of External Affairs employees in Ottawa:

		Bilingual	Trilingual
Total number:	217	56 (25.7%)	10 (4.6%)
English Canadians:	174	13 (7.5%)	2 (1.1%)
French Canadians:	43	43 (100 %)	8 (18.6%)

Language Qualifications of Canadian Representatives abroad:

Total number:	387	92 (23.8%)	25 (6.9%)
English Canadians:	325	30 (10%)	3 (1.0%)
French Canadians:	62	62 (100%)	22 (30%)

Heads of Missions abroad:

Total number:	44	19 (43%)
English Canadians:	30	5 (17%)
French Canadians:	14	14 (100%)

Mr. Robert Lafreniere (Quebec-Montmorency): Mr. Speaker, anyone with any sense of responsibility must recognize that expressing ideas on relations between countries in the world has become a delicate and even dangerous matter, because of the great international tensions which are constantly increasing. However, the position of a Canadian in this respect, is less risky, as Canada is in no way considered as a militarily aggressive country.

On the other hand, Mr. Speaker, we are proud to note the rate at which Canadian influence within the United Nations is increasing. The prestige of this country in that world organization is taking colossal proportions, considering that Canadian history is only four centuries old and that we scarcely have a population of 18 million. Relatively speaking, Canada compares favourably with many countries in the world.

Obviously, Mr. Speaker, our strength is not based on physical or military power; it is rather a moral strength based on Christian and democratic values.

In the eyes of other nations, Canada will remain on the same level as the greatest world powers to the extent that she continues to set an example of complete respect for spiritual values while protecting human dignity to the fullest extent.

In external affairs the mission of Canada as of all other commonwealth countries and the other western nations, is to maintain those Christian principles, as a vigorous and living reality in their practical application for they are the glory of our civilization and the best guarantee against a renewal of that gory experience we have known in the last two world wars, of millions of human beings destroying one another.

And speaking of Christian principles, on behalf of those Canadians I represent here, in this House of Commons, I want to deplore the regrettable attitude of the Liberal party whose leader stated that he would rather live in a communist world than die.

Some hon. Members: Oh, oh.

Mr. Habel: Duplessism at its best.

Mr. Lafreniere: Such an attitude is extremely prejudicial, and one for which the Liberal party and its leader should be very sorry.

Such policy, Mr. Speaker, is fully rejected both by Canadians in the province of Quebec, which I represent more particularly in this house, and by all Christian Canadians in every one of our provinces.

Mr. Martin (Essex East): Read out the statement he made the next day.

Mr. Lafreniere: Obviously, if we understand—

(Text):

The Acting Speaker (Mr. McCleave): Order. I recognize the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) on a point of order.

(Translation):

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I am not rising on a point of order.

(Text):

I should point out, Mr. Speaker, that it is not a point of order. I wonder whether the hon. member would permit me to ask a question.

(Translation):

Mr. Lafreniere: I shall let the hon. member for Maisonneuve-Rosemont ask his question when I have done with my remarks.

Mr. Martin (Essex East): Read out the statement our leader made the next day.

Mr. Lafreniere: Of course, we realize that every individual has the natural and deeply human wish to see his life on earth last as long as possible. But, for the sake of future generations, would it not be more important if the ultimate goal of our life were the safeguarding, under every circumstance, of that invaluable treasure which we inherited from our two mother countries, i.e. a sound democracy with a Christian civilization, even if it cost us a few years of our lives?

I do not mean, Mr. Speaker, that we should strive to bring other powers to give up their ideologies so that we may substitute our own. That would be utopian. But our role

consists in providing peaceful community life while respecting the freedom all nations and individuals have of living according to their own convictions.

I cannot help endorsing here, and with pride, the only acceptable policy for a country like ours, a policy which has been most eloquently described by the representative of the people of Canada. Our newspapers have reported in laudatory terms the views of the people of Canada on the firm, clear and definite approach shown by the right hon. Prime Minister at the United Nations last September. A practical lesson in international policy, on the subject of colonialism, was served, with all the trimmings, to the Russian prime minister. For the glory of both France and the commonwealth, I should like to repeat here that part of the speech made by the Prime Minister of Canada:

> Since the last war, seventeen colonies and dependent territories, totalling more than 40 million people, have been led by France to complete freedom. In the same period, fourteen colonies and dependent territories, totalling half a billion men, have achieved complete independence within the commonwealth. All told, it means that 600 million men, in more than 30 countries most of which are now represented in the United Nations, have achieved their freedom with the approval, encouragement and help of the United Kingdom, the commonwealth and France. Few countries can speak here of colonialism with as much authority as we can, because our country was once a colony of France and of the United Kingdom. Our country was the first one which, about a century ago, achieved its development by constitutional means and managed to pass from colonial status to independence, without having to break family ties.

Descendants of France and of commonwealth countries, as well as all Canadians, are indeed grateful to the Prime Minister for having described so forcefully and clearly the humanitarian policy applied by our two mother countries throughout the years. Those words had to be said and repeated here in this house.

As a representative of French-speaking Canadians, this impels me to underline the significance for Canada of the African countries' admission to the United Nations. Everyone knows that, in most of those African countries (including several former French colonies) a good percentage of the population speaks French. That is why, in a recent speech, the Minister of Justice (Mr. Fulton) expressed the following ideas:

> Canada is one of the only middle powers in the western world in a position to understand the problems of both the former British colonies and the former French colonies in Africa. This is why the efforts always exercised by French Canadians to promote French thought throughout Canada take on a new importance that had been overlooked up to now.
>
> This is where the active co-operation of the French Canadian becomes essential, not only for the Canadian cause, but especially for the cause of western civilization: that he may offer his services when a knowledge of French is necessary. Therefore, it is essential to the protection of our values that French Canadians take a positive stand in the assistance to be given to African countries. No one else is in a position to perform this duty which is, I say it again, altogether fundamental.

Mr. Speaker, this is an excellent opportunity for the government to consider increasing as much as possible the French representation at home and abroad, not only in the administration, but also in the government. It is a well known fact, Mr. Speaker, that the status of French speaking Canadians is not that of a minority in this country. They are partners on a fully equal basis.

According to international law, a minority has no real rights, but privileges. The right of having its own culture and language is acknowledged but, as a rule, its political rights are always limited. Such is not the case in Canada, because French is recognized as an official language. Since our country is of a bilingual and bi-cultural nature, other countries must be made aware of it, and this can only be done through the Department of External Affairs.

I know that the Secretary of State for External Affairs (Mr. Green) is concerned about this problem, but he cannot instantly remedy the guilty negligence of the former administration on this point.

I now wish, Mr. Speaker, to express a few thoughts on the problem which seems most important to me and the most serious particularly at this time with regard to the relations between east and west, I mean assistance to underdeveloped countries.

Nowadays, Mr. Speaker, thanks to transport facilities, to the speed of information, the peoples of the world are closer to one another. Members of the great human family now live under the same roof, and we could even extend the analogy as far as to say that, when necessary, they eat at the same table. But as in this twentieth century we still have to deplore the fact that two thirds of the human beings on earth are living in hunger and poverty, here is the question that must be asked: How much longer will members of the same family tolerate that some live in wealth and luxury, having the best of foods to satisfy their appetite, when others are collapsing under the burden of misery and hunger?

That is why, Mr. Speaker, the executive director of the United Nations special funds, Mr. Paul Koffman, in the course of a recent session of the Economic and Social Council, made this impressive statement:

> When the history of this twentieth century is written the outstanding event to be recorded will not be the first or second world war, nor the conquest of space, but the fact that one and three quarter billion human beings whose ancestors had accepted hunger, poverty and disease, decided to tolerate these no longer.

Such is, Mr. Speaker, the nature of the problem now threatening the world, and much of the responsibility falls on the western countries. Their task is to put forward, quickly and efficiently, a program of educational, technical and economic assistance.

I must say however in all fairness that the countries concerned, and in particular those which are members of NATO, are well aware of the seriousness and the urgency of the problem. With some colleagues, I had the opportunity, in June 1959, of representing Canada at the tenth anniversary Convention of NATO in London. My official function was that of economic rapporteur of subcommittee D-3 to which the 15 NATO members presented a brief on the common economic problems of the west.

I read those briefs and made a summary of them, from which you will allow me, sir, to quote a few lines, in order to indicate how well those nations understand the necessity of taking action. I quote:

> Inaction might give rise to a peril much greater than the unpleasant prospect of being engulfed in a world where the ruling majority, impelled by envy and long pent-up resentment, might be in a position, by reason of its population and its vast territories, to exert on the west deadly economic if not military pressures. That danger is also that of a world where a triumphant communism would extend its roots in all directions. Furthermore, it would be foolhardy to underestimate the extent to which the communist system appeals to underdeveloped countries, although individual freedoms are sacrificed without mercy under it.

Such is, Mr. Speaker, the thought of the NATO countries, an organization of which Canada must remain an active member, the statements of the hon. member for Assiniboia (Mr. Argue) to the contrary notwithstanding.

But, besides the economic aid program, we must lay emphasis on the educational program within those underdeveloped countries. Financial help and relief in the form of various products are only of a transistory nature. What counts is to give those people the necessary technical knowledge and training that will enable them to take an active part in their development and to work themselves towards their industrial and commercial expansion.

Furthermore, any help extended to underdeveloped countries must not be considered by them or by us as outright charity inspired by sympathy and pity; that help, must be considered, as it is incidentally, as an invitation to an exchange of friendly services which eventually and effectively will be materially and morally profitable to both parties.

Indeed, besides performing that humanitarian deed absolutely necessary for the recovery of underdeveloped countries, the western countries, including Canada, will be opening up important future markets for the export of their products.

It is therefore a huge task and, in the light of a normal population increase throughout the world, we can expect that this world population will have increased twofold within forty years or so, but the stakes are worthwhile, since it means preventing war and safeguarding peace throughout the world by sheer efforts.

Before resuming my seat, Mr. Speaker, I wish to congratulate the Secretary of State for External Affairs, his parliamentary secretary and his closest associates for the perseverance, tenacity and confidence they show on all occasions, as regards the possibility of disarmament.

I rejoiced recently when the Minister of Defence Production (Mr. O'Hurley) announced the award in my constituency of a $4 million contract for the production of 18 million cartridges for the Valcartier armoury. Thanks to that contract, 400 employees were able to keep their jobs which they might otherwise have lost. But, how happier would I be if I learned that those cartridges, instead of being used for war purposes were to be used for partridge shooting. Mr. Speaker, it would be too bad for the partridges! In any case, let us hope that those large amounts will one day be used to promote education and peace.

In any case, difficult though it may seem, disarmament still appears as a possibility.

One of the staunchest advocates of disarmament is probably our delegate to the United Nations, the Secretary of State for External Affairs, who represents what Christian nations respect most, namely human dignity in all that the word implies. We can only wish him all the courage required under the circumstances, and express the hope that human intelligence, with the

aid of Providence, will succeed in creating systems favourable to peaceful coexistence of nations on this earth.

(Text):

Mr. Hazen Argue (Assiniboia): Mr. Speaker, seldom has this house engaged in a debate on external affairs at a time of greater world tension and anxiety than at this very moment. Some differences of opinion have been expressed in this debate already, particularly by the hon. member for Kootenay West (Mr. Herridge), with regard to certain aspects of the government's policy and with regard to certain policies being followed by some of the major powers in the world. I want to tell the Secretary of State for External Affairs (Mr. Green) that as he goes from nation to nation and as he speaks in the councils of the world our thoughts are with him, our best wishes are with him, and although we may disagree at times with particular policies, nevertheless with him we voice our opinions on the basis of what we believe to be in the best interests of our nation, in the best interests of freedom and in the best interests of peace in the world.

The Secretary of State for External Affairs has earned for himself an excellent reputation in this country and in other parts of the world as a firm advocate of disarmament, and as a staunch supporter of a continuing ban on nuclear testing. We wish him well in all of these endeavours.

Spokesmen of the C.C.F.-New party group in the house have expressed full opposition to NATO, a position different from that taken by the Liberals. In recent months we have said that we have been disturbed that NATO has continued to be almost exclusively a military organization; that we feel more and more people are coming to the conclusion that Canada's best role in the preservation of peace and freedom is in more positive avenues than those offered by the NATO organization.

Over the years we in the C.C.F. movement, and our predecessors before us, have always been very firm and loyal supporters and admirers of the United Nations organization, and that faith remains. We wish to see everything possible done now and in the future to strengthen the United Nations organization and its machinery, since we feel that in this strengthening lies the best hope for peace in the world. We are admirers of the work, the contributions and efforts of the Secretary General of the United Nations, Mr. Dag Hammarskjold, and we view with alarm any and all efforts to downgrade his position, to divide his authority or to take other steps that would lessen the effective work of the United Nations. We are pleased that at this time the aftermath of the Cuban fiasco, to which so much thought is being given, apparently has not prevented positive action, as far as we can tell, to bring peace to Laos, and we are pleased that Canada once again will be playing a constructive and positive role in this regard.

I listened to the remarks of the hon. member for Quebec-Montmorency (Mr. Lafreniere) with great interest and I certainly endorse what he said about the particular role that Canada can play because of the bilingual and bicultural nature of this country in assisting the development of the emergent French communities, particularly in Africa. I might say that for some considerable time I have been an advocate of Canada taking action similar to that announced by the Secretary of State for External Affairs (Mr. Green) the other day. As far as I have been able to ascertain, and I am quite willing to be corrected, I was the first member of the house to spell out a program somewhat of the type that the government has followed. This was not an original idea with me. It was put forward in some of the French language newspapers of the country, but I felt it was an excellent idea worthy of endorsation and I was pleased to do so on March 4, 1960, in a speech delivered at Sir George Williams University, Montreal.

I took part in discussions of this question in the house following the proposal being made and when it was discussed as recently as July 14, 1960, the Secretary of State for External Affairs expressed interest but felt at that time that great difficulties presented themselves. I am pleased that some policy has been evolved and has been announced in the house. I am pleased that it has been given, as I was certain it would be, unanimous approval by members of all parties. I say to the Secretary of State for External Affairs that as the policy develops of assisting the French-speaking nations of Africa by suppling French-speaking teachers from this country and providing scholarships for training people from those countries at our universities, we shall be pleased to support at any time whatever further extension of this kind of program is practicable and will be of a helpful nature to these emergent nations.

The matter that I would imagine is on the minds of most hon. members more than any other is the recent unhappy experience in Cuba. I believe it is incumbent on members of the house to speak out frankly in this regard, to place their views on *Hansard* and make them known to the government. In due course the government will consider those views and I would hope that the expressions of opinion by members of the house may be helpful in the future in a constructive way.

Fidel Castro of Cuba came to power, I would think, with the best wishes of most people in the South American nations and with a great deal of good will on the part of many nations of the world in the hope that his government would improve economic standards of the people of Cuba. As a Canadian and a member of this house I was disturbed at a very early stage in his regime by the excesses in which I felt his administration was indulging. I was disturbed at the blood bath in that country in the early days of his regime. The first question I asked in the house after the opening of the session in 1959 was whether or not Canada had considered these atrocities and was prepared to send an appropriate note in this connection. I am not putting this forward to try to raise the issue as it was presented at that time. I merely put it forward to point out that the excesses of that administration have been abhorred by members of this group and we have felt that Canada should make its wishes known that this kind of thing should not be continued.

However, we have always taken the attitude that the type of government evolved in any given nation is really in the main the prerogative of the people of that nation and that there should be a minimum of outside influence and interference. We think that Fidel Castro and his regime came to power because of the abject poverty of the nation, because of exploitation and widespread disease, because of extensive illiteracy and the natural desire of the Cuban people for education, health, food and a rising standard of living.

We were opposed and we are opposed to action by the Soviet union, the United States or anyone else that would interfere with Cuba and the type of government that may be in office at any given time. We were opposed to the action that was taken by President Kennedy, as revealed in what has been written by well known and respected reporters, in promoting and assisting in almost every way the attack on Cuba by counter-revolutionary forces. We think that is a mistake in itself but we also think it is a mistake in its wider ramifications. We think that this kind of inappropriate action, far from being a deterrent to communism, merely plays into the hands of the communists, and that if President Kennedy should be determined to hand the nations of Latin America into the arms of the communists this is the way to go about it.

We suggest that Canada has an important role to play in speaking out at this time in this connection and saying in no uncertain terms to the United States administration what I and this group believe to be the opinion of Canadians, namely, that this kind of risk, this kind of intervention, should not be proceeded with and is in fact a danger to the peace of the world.

Newsmen have been reporting on the aftermath of this intervention. One reporter, Frederick Nossal, says that the global scales are tipping against the United States. United States prestige in Japan is going down. Another reporter says that the Cuban affair worries the British; certainly, that is what we read in the British newspapers. Another headline in the *Globe and Mail says*, "Washington attitude alarms Great Britain".

The *Globe and Mail*, in an editorial on April 21, 1961, points out what, in their opinion, are the far-reaching results of this adventure. The editorial says, in part:

> The results of this adventure seem likely to be far-reaching and unfortunate:
>
> 1. The Castro regime, far from being overthrown, has been strengthened . . .
>
> 2. If Dr. Castro was not wholly in the communist camp before, these events may well put him there. Faced with an avowedly hostile United States, from which further attacks may come, he is likely to grasp all the more firmly the hand of friendship extended by the Soviet union.
>
> 3. U.S. prestige has been badly damaged in Latin America . . .
>
> 4. Most serious of all, the United States has damaged its moral position in the world as a peaceful, law-abiding nation, by seemingly resorting to undercover methods of warfare normally associated with the communist bloc.

This is an editorial from a respected Canadian newspaper, the *Globe and Mail.* Other reports have been forthcoming that are, I think, alarming and on which I think hon. members should speak out. I think it is our duty to speak out on this question. I certainly speak out, not in any sense of animosity to the United States, nor in any sense of being anti-American, but in the hope that if enough members of parliament speak out on this question statesmen in the United States might stop, look, listen and think about these representations coming from the parliament of Canada before they proceed with another adventure of this kind.

President Kennedy came to office with the almost unanimous goodwill of the people of the world. I have never known a statesman from a country outside our own who has had more widespread admiration here and in whom Canadians had more hope and faith than the present President of the United States. I am sorry to say that faith has been shaken and that goodwill that was his, accompanied as it was by much good will in other nations, has been withering away and falling off in the days since this misadventure. The past disturbs us, but the future prospects disturb us more.

I have in my hand a *Globe and Mail* article which quotes James Reston of the New York

Times service. The heading is "No Scapegoats". The subheading reads:

> Kennedy shaken by intelligence failure but takes full responsibility.

This sounds like a courageous thing to do, and I expect it is. However, I believe there are greater implications in this situation. The article says in part:

> He took the decision to continue the training of the Cuban refugees with arms provided by the government, and for releasing the ships and gasoline to launch the attack at this time.
>
> He did so against the advice of secretary of state Dean Rusk and under secretary of state Chester Bowles.

We read that one of the main reasons why President Kennedy has taken this attitude of full responsibility is that he does not wish to get into a partisan debate with the Republican party as to who was to blame for the original plans having gone wrong since they were formulated by the former administration. What disturbs me is the fact that this may be an indication that bi-partisan foreign policy in the United States, with the general agreement of the two major parties and their spokesmen, will once again lead to undertaking this kind of adventure, but having learned from this one will the next time undertake to overrun and overthrow the government of Cuba by using United States forces and by so doing will endanger the peace of the world. I think that would be a mistaken policy on the part of the United States government and I would hope that is not what is going to take place.

Mr. George Bain writes from Washington as follows:

> The debate in the United States on Cuba policy has almost entirely ceased to entertain the question of whether that policy should be directed toward dislodging Premier Fidel Castro, and now concentrates only on how and when.

I hope there is a reconsideration in the councils of the United States. I would hope that there would be a change of policy. I hope that Canada will speak out in this regard.

The hon. member for Kootenay West raised this question on April 21, 1961 and at that time the Secretary of State for External Affairs, undoubtedly very worried and with his nerves taut, said something in reply that rather shocked me. He said:

> Mr. Speaker, I do not know whether or not the hon. member wants us to declare war on the United States.

I hope that the Secretary of State for External Affairs, in the tradition of this country, will make the strongest possible representations to the United States, in whatever way he believes best, to the effect that a misadventure of this kind should not be repeated. I believe, as I have said earlier, that we all have a responsibility in this house. I think the official opposition has a very important responsibility. Yesterday the hon. member for Essex East (Mr. Martin) spoke but he did not contribute very much on this particular question not because, as I realize, he has not a very great knowledge in this field, but because he decided to say little about this subject. He said, as reported at page 4033 of *Hansard* for April 26, 1961:

> At this time I am not going to press the minister beyond this. I am assuming that we have made our position known and that we are prepared to deal with the next step, which may or may not arise.

Then he said, in the same vein, that he hoped we, meaning Canada, would not hesitate to make our position known. I hope the Liberal party will make its position known in this house. The leader of the official opposition, I understand, is scheduled to speak in this debate. In view of the great experience he has had in the field of international affairs, the great reputation that has been his and the great achievements that have been his in helping to further the peace of the world, I would hope that he would address himself to this subject. I am certain that his words will be held in respect, not only in Canada but in the other nations of the world. I think that if enough of us speak out in strong terms to the United States as I hope the Canadian government has already done, we may well, along with other like-minded democrats in the world, so influence the United States that she will forgo any further adventures of this kind.

As I said earlier, this does not mean that we do not criticize—as we do—the excesses in Cuba. We value human life. When human life is exterminated, we should speak up. We value the processes of freedom and parliamentary democracy. We value our traditions. We sincerely feel that, for the peace and freedom of the world, when actions are taken which in our judgment are wrong, even though they be taken by our friends, we should make our own views abundantly clear. This we are doing.

I should now like to turn to a more positive statement of our external affairs position. We are continuing to spend very large sums of money for defence. Over the years we have taken the attitude that these defence expenditures or some of them could be better used if channelled in certain other ways. We feel that Canada's best role today is to have a strong conventional force available to the United Nations for use by the United Nations whenever our force is needed for United Nations police work. We view with great interest, as do all Canadians, the first cosmonaut and his achievements. I am an

optimist, along with the minister, as far as world affairs are concerned even though I have been pointing out some of the dangers. I think the competition between the Soviet union and the west is more likely in the years ahead to take place in the economic field, the scientific field, and in the field of conquering outer space. We are a small nation with a small population. We are wealthy in terms of our population but not in absolute terms. I should like the government to give some consideration to the question of whether or not we might be playing a small part—I know we are now playing a tiny part—shall we say, or a greater part in research, in association with other nations, particularly commonwealth nations, in the field of conquering outer space and delving into its scientific mysteries. I think this would be a more positive way in which to use some of the money that is now being spent on defence.

We have always been strong advocates of economic aid and economic assistance. Canada is doing a little bit but I am not too proud of the relatively small amount we are doing as compared with what we are doing in other fields. I have in my hand a statement given to me by the officials of the minister's department. It shows for economic aid an amount of under $60 million for the fiscal year 1959-60, just over $64 million for 1960-61, with estimates so far of roughly $62 million for 1961-62. There are other details—

Mr. Green: If I may interrupt the hon. member for a minute, Mr. Speaker, may I point out that other items for aid will be coming in. I think the figures for 1960-61 include all the supplementary items.

Mr. Argue: Mr. Speaker, I am not trying to make the point that we are doing less now than we were doing a year ago or two years ago. I am merely pointing out these figures in order to show that, in relation to a present gross national product of over $30 billion, and expenditures on military establishments and defence expenditures of some $1.6 billion, this small expenditure is not good enough. I think we should do more. If the government could announce that this expenditure was being doubled or tripled or increased even more than that—for years we have said it should be 1 per cent of the gross national product and we have been given some support in recent days by a prominent spokesman for the Liberal party—or would move in this direction, I think it would be given the unanimous support of the members of this house and the general support of the Canadian nation.

I have made my own position clear. I have spoken on behalf of our group in the House of Commons. I do this with a full realization that the Secretary of State for External Affairs is an old friend and an old colleague in this house over many years. Although he may have felt that I have been critical of his policy or the policy of other nations, I assure him that it has been done with the best of good will, with admiration for the person of the Secretary of State for External Affairs and in the fervent hope that, by working together and speaking out boldly, we may have some influence on the course of events in the world to the end that peace and freedom may be better secured.

Mr. W. B. Nesbitt (Parliamentary Secretary to the Secretary of State for External Affairs): Mr. Speaker, it is a pleasure indeed to take part in this debate, but I must confess that I had not expected to be taking part in it for perhaps another few moments. Therefore, if hon. members will just bear with me for about half a minute until I secure my brief notes, I shall proceed.

The first subject with which I should like to deal is that of the United Nations. The Secretary of State for External Affairs (Mr. Green) in his remarks dealt with this particular subject at some considerable length. However, there are one or two additional items with which I should like to deal at this time. The first concerns world refugee year. The particular aspect of it of immediate interest to us was the movement to Canada of the third group of tubercular refugees that came here under this special program. As hon. members perhaps know, two groups of some 100 families came to Canada under this special program of world refugee year and just recently a third group have come to this country. Hon. members may recall that as one of our contributions to world refugee year, the government brought to this country two groups of tubercular refugees from refugee camps in Europe. The government paid transportation costs and maintenance costs for one year or until such time as the family became established. By January of this year only 51 refugees were still receiving treatment in sanitariums. So successful were those refugees in adjusting themselves to the Canadian environment and in becoming established in our communities that the government decided to extend the program and to admit a third group. In March of this year the third group composed of 272 persons, of whom 114 were tubercular, arrived in Canada. The total number of tubercular refugees, with their families, admitted to Canada in the three groups now stands at 826. The success of this program has been attributable in no small measure to the cooperation of the provincial governments

which have been responsible for the medical care and treatment of the refugees.

I feel sure that hon. members of this house and others in Canada will be very pleased with Canada's contribution to helping those people in the world who, through no fault of their own—other than that they disagreed, politically or economically, with the countries from which they came; for no other reason than that—because of the contraction of this unfortunate illness were left to a life of despair in refugee camps. We and certain other governments have done our best to provide homes and rehabilitation for them.

Another subject with which I should like to deal very briefly is the single convention on narcotic drugs. I think this is a subject of interest to quite a large number of hon. members. In this regard a conference to adopt a single convention on narcotic drugs was held at United Nations headquarters, New York, from January 21 until March 31 last.

More than 70 countries participated and our delegation played an important part in the negotiations which led to the adoption of a single convention on narcotic drugs. Canada signed the convention on March 31 last. To a very considerable extent the single convention is a consolidation of the existing multilateral treaties and protocols on narcotic drugs.

The convention, while recognizing the necessity of controlling existing sources of supplies, also takes into account the growing importance of synthetic narcotics brought about by continuing research in chemistry and pharmacology.

The adoption of the single convention will simplify and improve the procedures for the control of narcotic drugs and increase the effectiveness of the international organizations involved in combating the illicit drug trade.

It is, I think, heartening to reflect that the community of nations, despite their ideological differences, has been able to reach such substantial agreement in the field of narcotics control, where international co-operation is really very essential.

There are two items which have been referred to by various hon. members this afternoon, including the hon. member for York Centre (Mr. Stinson) and the hon. member for Drummond-Arthabaska (Mr. Boulanger), I believe.

One is the subject of the so-called world food bank. As hon. members may recall, a resolution with regard to this matter was proposed by Canada last fall at the first part of the fifteenth general assembly of the United Nations. The subject was dealt with in the second committee, which deals with economic and social matters.

[Mr. Nesbitt.]

After a considerable amount of discussion and consultation with other delegations the resolution was brought forward and unanimously accepted in the second committee. This resolution requested, in essence, the food and agriculture organization, which was meeting in Rome at the time, to investigate ways and means of providing emergency food supplies to countries which had suffered a disaster such as an earthquake, as happened in Chile a year ago, drought, or some other disaster. It would also assist countries where civil war or some other man-made unpleasantness had resulted.

This matter was referred to the food and agriculture organization for the purpose of working out a detailed plan which is to be submitted to the meeting of the economic and social council which is sitting in New York.

Incidentally, that particular body was properly constituted only last week, because there had been some difficulty in electing the eighteenth member. However, I should like to deal with this particular aspect of the economic and social problem a little later in my remarks.

Mr. Martin (Essex East): Who is the chairman of the Canadian delegation at this meeting of the economic and social council?

Mr. Nesbitt: I am not quite sure I understand the hon. member's question. I wonder whether the hon. member for Essex East would repeat his question.

Mr. Martin (Essex East): I was wondering who was representing Canada as the chief delegate at the meeting of the economic and social council.

Mr. Nesbitt: I must say, Mr. Speaker, that I have some difficulty understanding the question of the hon. member for Essex East, because at the moment Canada is not a member of the economic and social council.

Mr. Martin (Essex East): That is right; excuse me.

Mr. Nesbitt: In any event, the suggestions drawn up by the food and agriculture organization will be presented at the present meeting of the economic and social council; which in turn will present recommendations to the sixteenth general assembly next fall.

If I correctly understood the hon. member for Drummond-Arthabaska, I believe his remarks were to the effect that the Canadian government, after launching this particular effort last fall, has become less enthusiastic about it and we are dropping it. I merely make these remarks for his enlightenment.

The next item with which I should like to deal is the subject of the so-called experts

bank, which was also a Canadian initiative last fall. This subject was also referred to, of course, by the hon. member for York Centre.

For some time, under the project known as OPEX the United Nations, through its secretariat, has been able to secure the services of specialists in various governmental fields to assist countries under specific conditions. Until last fall one particular aspect of this problem had been rather neglected. I refer, again, to the question of an emergency and a situation such as occurred in Chile a year ago, an earthquake; civil war or other man-made or natural disaster. Because of these disasters public services in these countries might very often be very seriously disrupted. I refer to public services such as health, transportation, public administration and the like.

We felt that some effort should be made to provide specialists who could be called upon in an emergency and would not take six or eight months to recruit. To obtain properly qualified people to perform jobs in these fields may take some time. It requires some time to persuade people to leave good jobs in Canada and accept a perilous and uncertain job in some country far afield.

We felt that member countries of the United Nations should set up rosters of expert personnel from the civil service in the fields of public administration, transportation, health and the like, who could be called upon if a disaster occurred in some part of the world. These lists should be supplied to the secretariat. Then if a disaster occurred in country A, the government of country A could call on experts from Canada or whatever country they chose to come and assist in the emergency.

If this roster of experts were set up, it would not take weeks to provide experts. They could be provided through the United Nations, on request, almost instantly. This would greatly facilitate the rehabilitation of countries after a disaster had taken place.

Mr. Speaker, may I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Nesbitt: Mr. Speaker, one of the sad things about the United Nations, as far as reporting on it is concerned, is that one cannot tell all, so to speak, because a number of the many important negotiations taking place there are private or of a confidential nature. I would like, however, to make a few observations at this time regarding the general characteristics of the fifteenth general assembly of the United Nations which just completed its work last Saturday.

As all hon. members will realize, the assembly started its work last September, and after a recess commencing shortly before Christmas and lasting until March 7, it resumed its work, which was completed, as I have mentioned, last Saturday.

The first half of the session saw the attendance of a great many world personalities. I do not think I need say more in this regard. In general terms the atmosphere during that portion of the session was very acrimonious. The cold war was in full swing and as a result it was very difficult for any country to accomplish very much.

During the second half of the session the atmosphere was quite different. There was a more conciliatory attitude and a number of things in fact were accomplished. During my remarks before six o'clock I mentioned the two initiatives that Canada launched during the fall session, and despite the acrimonious atmosphere the resolutions concerning the food bank and the experts bank were unanimously passed by the general assembly.

Last fall the Soviet union and associated countries launched a two-pronged attack in the United Nations. This was not new but was in fact a resumption of something that had been going on for a number of years. On this occasion there was more emphasis placed on it than before. The attack took two forms. It was, first, an attack on the secretary general both personally and upon his office. Second, the Soviet countries attempted to become the champions of the newly freed or liberated colonial peoples of Africa or of Asia. I am sure hon. members followed this subject in the newspapers and I do not wish to take up the time of the house by going into this subject in detail.

The attacks by the members of the Soviet group were very virulent indeed. The suggestion was made that the office of the secretary general should be replaced by a triumverate—three under secretaries. This obviously has the disadvantage of providing, in effect, a Soviet veto in regard to all the work of the secretariat. This proposition was based on the 1-1-1 formula, as it is sometimes called. It was proposed that one secretary general should be from the west, one from the Soviet group, and one from the neutral countries. Of course, any one of the three could exercise a veto in regard to the work done in the assembly. Since the secretariat is often charged with the responsibility of carrying out the resolutions passed by the general assembly, this would provide an effective veto over anything passed by the assembly.

There have been a number of explanations given in regard to this proposal. The most generally accepted one, heard in the United Nations and elsewhere, is that the United Nations has had the effect of blunting Soviet ambitions for ultimate world control. Since the United Nations has done this the Soviet union decided to try to either control the United Nations to suit its own purposes or render it ineffectual. There was some support at the outset for these two approaches made by the Soviet group but ultimately, I think it is quite safe to say, they both failed.

The attacks upon the secretary general were maintained in all the committees and persisted throughout. However, a little more than a week ago a resolution was before the general assembly concerning the Congo operation containing a paragraph referring to the work of the secretary general. The Soviet group requested a separate vote in respect of this particular paragraph with the intention of removing it from the resolution. I do not recall the exact vote, but from memory I would suggest that 83 countries voted in favour of retaining the paragraph and 11 voted against it, with the remaining number abstaining for one reason or another. The result of this vote was in effect a great vote of confidence in the secretary general personally, and I think we can take great encouragement from this. There was, of course, in general terms, this undercurrent throughout the last session of the general assembly, but the secretary general despite that undercurrent, and the almost unbelievable attacks both personally and against his office, not only survived but came out stronger than before.

There have been a great many changes in the United Nations within the last year. Those members who attended the United Nations session some years ago would notice now even greater changes. The first time I had the opportunity of attending at the United Nations was in 1955 and I can say that it is today quite a different organization from what it was then. In that year I had the pleasure of being a parliamentary observer working under the vice-chairman, the hon. member for Essex East (Mr. Martin), who was very helpful indeed at that time. I will always cherish with a great deal of pleasure my memory of that assistance.

Since that time the United Nations has expanded greatly. Indeed, 17 new countries became members last year. Membership in the United Nations now totals 99 member countries. Fourteen of these new countries are French-speaking African countries. I might say in this regard that because of Canada's cultural heritage a bond of friendship was established with these countries. We did our best to develop that friendship and I feel safe in saying that we now have very close and friendly relationships with those African members.

I would particularly like to mention those individuals who contributed in this regard. One is a member of our delegation, the hon. member for Charlevoix (Mr. Asselin), who did a great deal of outstanding work in developing close relationships between this country and the new French-African countries. Indeed, one or two other members were very helpful in this regard. These numbers were parliamentary observers. One is the hon. member for Lake St. John (Mr. Parizeau), and the other is the hon. member for St. Ann (Mr. Loiselle), who did a great deal of work in helping us in this regard.

As the Secretary of State for External Affairs pointed out earlier in a previous announcement—and I think it is perhaps worth while mentioning in this context—the Canadian government has decided on a program of assisting in the education of students from those French-African territories to the amount of $300,000 a year. This has been much appreciated in those areas and is probably the best kind of work which we can do at the present time to help the people in those countries.

Another different aspect of the United Nations this year is the changing of the so-called blocs in the United Nations. We often hear people speak of the Latin American bloc, the Asian-African bloc, and so on. Some of those blocs have shown considerable evidence that they are changing in character or are dividing into groups. Because of the large number of new African countries, there is a tendency to find an African group rather than an Asian-African group. This is an interesting trend to those who are familiar with the United Nations, and I think it is perhaps worthy of note.

Another very important thing, of course, is the change in the voting strength in the United Nations. A few years ago the western European group, the Latin American group and some of the commonwealth countries made up the majority of the voting strength in the United Nations. Now, with the Asian and African countries, 45 out of the 99 votes belong to the Asian and African countries. This has greatly affected the tactical situation in the United Nations from everybody's point of view. Again, it is something that has happened in the last assembly which has changed the whole picture of the United Nations.

These may be self-evident things, but I think it is worth while reminding people of them because they are factors in this whole changing, and very rapidly changing, picture of the United Nations. At one time it was

said that if the Asian-African countries and the Soviet group all got together they would have what is known as "blocking third" in the plenary meetings of the assembly, where a two thirds votes is necessary. But this whole situation has changed because the countries of Africa and Asia have themselves almost half of the votes of the assembly. This has a great effect on the way resolutions are worded and the way they are presented in order to meet these fundamental changes in the character and make-up of the United Nations. These changes have altered Canada's own role at the United Nations.

In the late 1940's and middle 1950's it was often said that Canada formed a sort of link between the Soviet group countries and the western countries. Judging from my own experience in the United Nations, Mr. Speaker, I would say that we still do that from time to time but perhaps one of the new roles that Canada has in this context is that we now tend to form, as well, a link between some of the western countries and the countries in Asia and Africa. We also act as a stabilizing influence with our own groups. In this regard I also think of countries such as Norway with which Canada often works at the United Nations, and other smaller countries such as New Zealand and Ireland. I could mention many others. In addition to the link that I mentioned previously, I think the role of these countries is also that of extending or acting as a link between the Asian and African countries and the countries of western Europe and North America. I think this is a very important thing. Again, it is a fairly self-evident matter, but I think it is worth bringing to your attention, sir. Perhaps it is only a shift in emphasis but it is indeed a shift.

Another thing that is worth mentioning is the general preoccupation of countries, particularly in Africa, with the desire to catch up, particularly economically, with the other countries of the world. It is my impression that those countries are not especially interested in particular economic and political theories. It seems to me this attitude is one in which the position is taken that while economic and political theories are very fine for those who have the luxury to afford them, these countries have to adjust to the particular economic and political systems that they have to suit their own stage of development, and they are more interested in catching up economically and providing the necessities of life for their people than they are in the other matters.

Sometimes a number of those newer countries in various parts of the world have perhaps behaved in a manner which some of us might consider to be irresponsible according to our standards. Although the hon. member for Essex East (Mr. Martin) seemed to feel rather depressed about the outlook in the United Nations, my own feeling is that while some of these newer countries in a new situation are expressing themselves perhaps for the first time in the world organization, and while some of their activities might seem less than desirable, I think in two or three years, this matter will certainly adjust itself. I do not think there are any grounds for pessimism in that regard whatsoever.

One interesting observation is the fact that many of the new African states have totally different views. They do not all think alike. A good example, of course, is the Congo operation and the approach to what should be done in that particular area. Most of the African countries have quite different methods of approach to this problem. There is one thing they all have in common, and that is the common desire to have the cold war kept out of Africa, and the African countries left alone to develop the continent themselves. As a matter of fact, I think most hon. members will agree that that will be very commendable indeed.

This last observation also brings up another trend which might be of interest. There is evidence of a possible trend developing in the United Nations away from the original idea of universality. I refer to the new trend of regional emphasis. By that I mean that one heard constantly in speeches on the Congo that the Congo situation was an African problem and should be left largely to the Africans themselves. Dr. Nkrumah, the president of Ghana, in his last speech in the assembly and in his remarks to the advisory committee, suggested that this was an African problem and should be left to the Africans to solve. The recent Cuban crisis was another example. It was emphasized that the situation in Cuba was a matter for the organization of American states to look after. Whether these trends are going to develop and continue to develop I do not know, but they are worthy of notice, because it is a slightly different concept of the United Nations, slightly different from that one formerly had of that body, because the trend is toward having certain areas or regions of the world look after their own problems. This may be an inevitable development, I do not know. It remains to be seen. Again I mention this because it is something that has perhaps appeared at this particular session to a greater degree than before.

As the hon. member for Essex East pointed out, there are a number of problems at the

United Nations, and one of them is the question of financing. This has been a very serious problem indeed at this session. One of the big problems at the United Nations for the past two or three years has been how to finance these various peace-keeping operations, first of all UNEF in the Middle East or Near East, whichever way you wish to classify it, and then, of course, the Congo operation. The countries in the Soviet group will not contribute anything toward these peace-keeping operations and, unfortunately, there are also some other countries which behave in the same way for reasons best known to themselves. Some of these countries claim they cannot afford to pay, which may well be the case, of course, and we can understand this particularly in the case of the newly developing countries.

However, the fact that these operations have been authorized by the general assembly presents a very interesting problem. On the one hand, you have the general assembly passing resolutions demanding that certain things be done in the Near East or, most recently, of course, in the Congo. On the other hand, you have, as we witnessed last Saturday night, a situation where the assembly will not vote the money to carry out the instructions it has passed. It is a very odd sort of position and, as I have already mentioned, the reason is the fact that a number of countries feel that for these peace-keeping operations the regular scale of assessments should not be carried out but rather some new scale of assessment should be devised.

There were long discussions and many negotiations over this matter during the last session of the assembly, and eventually a resolution was put forward by Pakistan, Ghana and others temporarily to tide over the United Nations financially until next fall. In conjunction with this, of course, Canada promoted a resolution which would appoint a group of countries to examine thoroughly the question of assessments as far as specialized peace-keeping operations are concerned.

I do not wish to take up the time of the house by going into the details of this matter. I should like to say that after a great deal of difficulty Saturday evening and after several votes the resolution sponsored by Pakistan, Ghana and others was finally passed which permitted the United Nations to carry on its Congo activities until the fall. I might say that I do not think it was generally realized how close this operation came to failing completely. On the first vote on this subject, which was taken around eleven o'clock last Saturday evening, the financing resolution was defeated. This would have meant that the secretary general would have had no funds whatsoever to carry on the Congo operation and, indeed, there was some question whether the United Nations itself could have carried on because of the various borrowing operations that had gone on.

For some reason or other this did not seem to be appreciated by a number of member states and it took a very considerable amount of work on the part of the Canadian delegation and other associated delegations to change enough people's minds so that by about five or six o'clock in the morning the interim financing resolution was passed. After that the Canadian resolution successfully passed as well. It is a very real problem. I agree with the hon. member for Essex East when he says it is a very serious problem and some arrangement is going to have to be made at the next session of the general assembly. Otherwise I do not know what the result will ultimately be.

The hon. member for Essex East mentioned another subject having to do with the expansion of the security council and the expansion of the economic and social council. He pointed out, as I recall, that since the United Nations had grown so greatly in membership these councils should be expanded and that this would be a worthy field of endeavour in which to have Canada take part. I quite agree with the hon. member. Indeed, this was one of Canada's projects at the United Nations last fall. Unfortunately it was not very successful because the Soviet union blocked any enlargement of either of these councils and insisted that the question of China should be settled before any charter revision should take place. As a result, a number of the newer countries in Asia and Africa which feel they are not represented have put great pressure on countries in western Europe and, indeed, in the commonwealth, eastern Europe and Latin America as well, to give up one or more of the seats they hold on the security council or the economic and social council in favour of some of the newer nations of the world. It is a sort of share the wealth proposition.

This is highly unsatisfactory because all it does is perpetuate injustice. If some of the newer groupings in the United Nations are able to force some of the other groups to give up some of their seats, this may temporarily effect some sort of arrangement but it is not a very satisfactory solution. The only real solution to the problem is the expansion of both councils and this, of course, cannot be done until the Soviet union permits it under present arrangements in the United Nations.

Another thing in this regard that has happened as a result of this situation is that until the very end of the last assembly the

economic and social council was not constituted because India and Belgium were the two candidates for seats and neither one would agree to withdraw. They each had 45 votes and a two thirds vote was impossible under the circumstances. This happened a year ago in the security council elections as between Turkey and Poland, and hon. members may recall that Canada took a rather active part in settling that difficulty. But some permanent arrangement must be made with respect to these councils so that every year at the United Nations we do not have the same acrimonious argument as to what country is going to fill what position on which council, and I would agree with the hon. member for Essex East that that is something that should be worked out. However, unfortunately it is not in our hands.

I see that my time is up, Mr. Speaker, and I was wondering whether I might, by leave of the house, continue for five or ten minutes as there is another matter with which I should like to deal.

Mr. Speaker: Has the parliamentary secretary leave to carry on?

Some hon. Members: Agreed.

Mr. Nesbitt: I thank hon. members and I appreciate very much their courtesy. The last matter I should like to deal with concerns the remarks of the hon. member for Essex East with respect to the United Nations police force, and I wish to refer to page 4034 of *Hansard* for yesterday where the hon. member for Essex East is recorded as having said:

> We might as well admit that the experience in the Congo portrays a weakness in the United Nations police force as it is at present constituted when the nations retain authority over their troops.

I think the distinguished hon. member for Essex East perhaps had something else in mind when he made that statement. As the hon. member well knows, when countries turn over troops to the United Nations command they do not have effective operating control over those troops. It is true they do have control to the extent that if country A contributes so many troops to the United Nations command it can, on request to the secretary general, withdraw those troops. I am sure that is probably what the hon. member for Essex East intended, but I think his remarks perhaps did create the impression that if country A supplied troops to the United Nations command, country A exercised actual control over the use of the troops while under this command, and I thought the hon. member would not object if I clarified the situation.

A little farther down on page 4034 the hon. member for Essex East suggested that one of the most effective things Canada could do, in addition to putting forward a substantive proposal in the field of disarmament, would be to put forward, after careful preparatory work, a scheme for an effective United Nations force which must take its place in a disarmed world if that should ever eventuate. The hon. member quoted, in support of his position, a statement by the secretary of state, Dean Rusk, when he said:

> —the experience in the Congo suggests that we must turn once more to the possibility of constituting a permanent United Nations force specifically trained and equipped and held in readiness for immediate use.

In connection with the argument for having a permanent force to meet a situation of the type in the Congo, it might be of interest to note the following comments of the secretary general, Mr. Dag Hammarskjold, as found on pages 3 and 4 of the introduction to the annual report of the secretary general on the work of the organization, general assembly official records, fifteenth session, supplement No. 1A (A/4390/Add.1):

> I have mentioned the need for some strengthening of the secretariat on the military side. This, in the light of recent experience, would be my reply, as regards actions by the United Nations, to those who have found in the Congo developments new reasons for the organization of a standing United Nations force. As I have already clarified my views on this problem in earlier reports to the general assembly, I have no reason to go into the matter in any detail here. It should, however, be stressed that the Congo experience has strengthened my conviction that the organization of a standing United Nations force would represent an unnecessary and impractical measure, especially in view of the fact that every new situation and crisis which the organization will have to face is likely to present new problems as to the best adjustment of the composition of a force, its equipment, its training and its organization.
>
> It is an entirely different matter if governments, in a position and willing to do so, would maintain a state of preparedness so as to be able to meet possible demands from the United Nations. And it is also an entirely different matter, for the organization itself, to have a state of preparedness with considerable flexibility and in the hands of a qualified staff which quickly and smoothly can adjust their plans to new situations and assist the secretary general in the crucially important first stages of the execution of a decision by the main organs to set up a United Nations force, whatever its type or task.

In these circumstances, a Canadian initiative at this time along the lines suggested by the hon. member for Essex East might not be very productive of good results. This is not to say that a proposal to this effect should not be made at some appropriate time in the future. In this connection, we have in mind that the question of the United Nations peacekeeping machinery might be one of the subjects which an ad hoc committee of the disarmament commission could carefully pursue.

I should like to point out that one of the suggestions we have made in respect of disarmament, which I know is procedural as the hon. member for Essex East has pointed out but is still rather important, is that when the negotiating body on disarmament which will be set up outside of the United Nations later this summer is constituted, there must be some liaison between this body and the United Nations. We feel that the United Nations disarmament commission, which is composed of 99 member states, would be the appropriate body for liaison on the subject of disarmament between the negotiating body, whatever its size and composition may be, and the United Nations. We feel that a negotiating body composed of 12, 13 or 14—whatever the number of nations that may comprise this body—should report periodically to the United Nations through the disarmament commission. We feel also, in turn, that member states of the United Nations who have ideas and suggestions on disarmament should be able to transmit those ideas and suggestions for consideration by the negotiating body through the disarmament commission.

We feel also that the disarmament commission could very well set up ad hoc committees to study specific aspects of the problem of disarmament. One of the things we feel the disarmament commission should set up an ad hoc committee to discuss and carefully look into is this question of peace-keeping machinery when disarmament is largely achieved. It is a most important matter and many member states of the United Nations could very effectively serve on such a committee. When I say an ad hoc committee, I mean a committee composed of perhaps 10, 15 or 20 states. Perhaps the non-nuclear powers could very well work out an effective scheme for peace-keeping machinery. It is something that will take a long time to do.

Some people might say, why set up a committee? Why not have the whole disarmament commission study the problem? Those who have worked on committees and commissions know that 99 countries do not form a very effective committee for the conduct of business. Perhaps a subcommittee of 15 or 20 countries would do this job very much better. I mention this in passing. This whole problem of working out peace-keeping machinery will need long and continued effort. It is something that will take a great deal of thought and study, something which the committee on disarmament might very well do.

In conclusion, there is one other matter I should like to mention. Again, it relates to this question of peace-keeping machinery. As reported on page 4036 of yesterday's *Hansard*, the hon. member for Essex East inquired about what type of international police force should be established to preserve international peace and security. He asked what principles of international law should perhaps govern such forces. I can assure the hon. member that we have been giving very close attention to this problem. It is one of the most important problems to be solved if we are to be able to reach the final stages of general disarmament.

As the hon. member is doubtless aware, there have been a number of books and pamphlets issued proposing plans for international peace-keeping forces. Ideas in connection with this part of the general disarmament plans put forward by the west at Geneva last year were discussed between the delegates of the western five nations at the 10-nation disarmament conference. I would say, Mr. Speaker, that the difficult part of the problem is not how to make a plan for creating a force. Competent military staff officers could do this very quickly. The subject, especially as it relates to United Nations peace-keeping forces under present world conditions, has been under study by officers of the Department of National Defence as well as by officers of external affairs, and certain general conclusions have been reached. Officers of the Canadian defence services are well able to carry out a useful and practical study of this kind in view of Canada's experience in the several peace-keeping efforts of the United Nations.

The real problem, Mr. Speaker, is not how to organize, administer and operate such a force from the purely military viewpoint. The question is how it is to be controlled politically. We all know that at the present time these forces are under the control of the secretary general, and at the moment the secretary general is not accepted by the Soviet union. The five members of the security council who have the veto certainly do not agree on any of the major political problems in the world. As the remarks of the hon. member for Essex East indicate, the difficulty in this connection arises from the fact that the political objects of the communist countries led by the Soviet union and those of the countries of the west are, in most cases, opposed, I think we should all agree with that.

I should like to read an extract from a statement made by Mr. Zorin, deputy foreign minister of the Soviet union, during the discussion of the question of international armed forces in Geneva upon the resumption of talks in June, 1960. It reads:

> The western powers submitted a proposal to create a so-called international armed force. But what would this lead to? It would lead to the world continuing to live as before, in fear of the use of weapons. Instead of national armies there would be created an international army, which would in fact be the army of one side directed against the other side. We must look at things

realistically. The world today consists of two parts —one socialist and the other capitalist.

This was before they divided the world into three parts.

It is clear to everyone that neither side will agree to the other side dominating the international armed force. It is absolutely clear that the western powers would not agree to the socialist countries playing a leading role in such a force. And we would not agree to assign such a role to the western powers.

Thus, it would be wrong and unrealistic to set out to create an international armed force. It would be another matter if we agree to place at the disposal of the security council, when necessary, in order to ensure the maintenance of peace, units from the contingents of police (militia) remaining at the disposal of states after the implementation of general and complete disarmament.

That is an entirely realistic measure which is also in accordance with the provisions of the United Nations charter, and it is provided for in our new proposals—

—"our new proposals" being, of course, the Soviet union proposals of the day.

Also in the statement which introduced the Soviet disarmament plan of June 2, 1960, the following sentence occurred:

Of course, such police (militia) detachments may be used solely for the purpose of maintaining peace among nations, not for the suppression of peoples who are struggling for their independence and social progress, and not for interference in the internal affairs of states.

From this hon. members will see that the Soviet union does not intend that there should be any peace-keeping force set up over whose operations it will not have a veto. This is confirmed by their attacks on the way in which the secretary general has interpreted and carried out the provisions of the security council resolutions dealing with the Congo. The Soviet union according to its own statements and actions is insisting that no peace-keeping force shall be used in a manner which is inconsistent with its own objects in promoting what it calls the "struggle for independence and social progress". Of course for the western nations and I think for the majority of other members of the United Nations any peace-keeping force, if it is to be worthy of the name, must not be subject to the veto of any nation or minority group of nations. How to devise an organization or modify the existing organization of the United Nations so to be able to carry out the function of political control and direction of the United Nations peace-keeping force is as yet an unsolved problem. It is our intention to continue to try to find a solution, in consultation with other like-minded nations, and especially with those with whom we are associated in disarmament negotiations.

There are a number of other things with which I should like to deal but I do not propose to request further time of the house. I greatly appreciate the extra time that has been given to me. On another occasion I will deal with the other matters I have in mind.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I appreciate the opportunity of taking part in this debate—perhaps I should not call it a debate but rather a discussion on foreign affairs—even though there is not that noisy, controversial and tense atmosphere we find in the house if we are talking for instance, about the unemployment insurance fund or even the support price for soya beans. But even though one might not gather it from the calm atmosphere of the house, Mr. Speaker, we are dealing with fundamental matters which affect the very survival of our nation and of humanity.

Before I proceed further, if I may, I should like to associate myself with what the minister said yesterday in appreciation of the intelligent, selfless and devoted service of the members of his department from the deputy minister down. He will know that I do this in no formal sense because perhaps no one in this house has more cause than I have to be grateful for the work of that department. I hope it will not make the minister feel uncomfortable if I tell him also that we on this side of the house also appreciate the sincere and honourable efforts he is making on behalf of all Canadians, as the spokesman of the government and indeed of Canada, to contribute to those causes, policies and developments which are making, we hope, for peace in a dangerous world. In this tribute to the minister I should like to include the parliamentary secretary who has just spoken to us and who has worked so hard and so long at the United Nations assembly.

Perhaps that should be the end of my complimentary references but, Mr. Speaker, I should like to add this observation. It is sometimes said by my hon. friends on my extreme right geographically that there is no difference between the two old parties that have together made, I think, a worthy contribution to the building of our nation. May I say that there is every difference in domestic affairs and that we show those differences in the House of Commons. However, there is no difference between us in our joint desire to support, on behalf of the Canadian people, policies that will bring peace and security to our country and to the world. We are at one in those objectives even though we may, do and will differ at times on how we should reach them.

We are at one in our support for the new commonwealth and for the United Nations.

We are at one in our support for NATO. In this respect perhaps we are not in agreement with my hon. friends to the right. We are one in our support for the view that Canada should discharge to the full, honourably and well, its international obligations. Just as there should be, to the maximum possible extent, and subject to our democratic right to disagree, national unity in foreign affairs, so there must be to the maximum possible extent unity inside the democratic coalition. In our own country there must be—as I believe there is, by and large—agreement on maintaining the strength of that coalition in the face of the dangerous problems with which we are confronted today. I refer to a strength which is more than military. I do not believe that there is any salvation; any hope or possibility of progress for Canada in isolation or in what we often hear called neutralism. I think that such neutralism is a dangerous development. I am not suggesting that it has reached a point yet where it is a danger. But it could become so if we in this country fell into that defeatist spirit indicated by the expression "A plague on both your houses".

I suppose, in a sense, that is the essence of one kind of neutralism, because it means—and this is a fundamental objection, surely—that we put on the same level of Canadian interest, and indeed international morality, the democratic, freedom loving United States and the totalitarian despotism of the Soviet union. There can be no assimilation, surely, of these two things in any Canadian mind.

Therefore we must to the best of our ability discharge our commitments as members of the coalition of democratic states, especially to the commonwealth and the Atlantic coalition. As the minister put it yesterday in his survey—this is another way of putting it—we must stand by our allies. But our allies must also stand by us, by making it possible for us to work with them, by not putting into effect policies which we, as their friends and allies, cannot support when they run counter to the principles on which all our own policies must be based if we are to be true to our ideals as well as to our obligations to protect our security.

If I have any criticism to make of the minister's statement yesterday—and it was made by my friend, the hon. member for Essex East (Mr. Martin)—it is that it did not convey that sense of urgency which I think attaches to the international scene at the present time. After all, within the last week we have seen Cubans rebelling against their tyrannical government. We have seen French generals rebelling against France. We have seen communist armies two miles outside the capital of Laos in southeast Asia. We have seen, of course, continued confusion—which is even worse confounded tonight, according to the news—in the Congo.

There is indeed a sense of danger and urgency in the international situation tonight. Out of these developments—and there are many others I could have mentioned—there is one however which has worked itself out in a way which must bring great satisfaction to us all. The minister mentioned this yesterday. I refer to the triumph of the forces of French decency and democracy over armed intervention on the part of military reactionaries. General de Gaulle is not in every respect these days winning the support of everybody in everything he does. But in this emergency he certainly showed himself a towering figure on the right side.

I think it is not being pessimistic to say—it is certainly being realistic—that the situation has deteriorated since we last had a debate on external affairs. I think that was some time last summer, in July. I believe the relations between the two great protagonists in the cold war have deteriorated after what was an improvement in the atmosphere following a change of administration in Washington.

That improvement was in atmosphere, not improvement in the sense that any of the problems that face the two sides had been solved. But an improvement in atmosphere did at least give the two sides an opportunity to do something about the problems. They have not been able to take advantage of that opportunity. I think even the atmosphere now is darker.

Certainly the leader of the Soviet union, Mr. Khrushchev, has shown in recent weeks and months no change in his determination to achieve on behalf of his country and his international system the objectives that were laid down for that communist system many years ago and which have not been altered, although the tactics adopted in pursuing them certainly have from time to time been altered, as one would expect.

If we had any doubt in our own minds as to the inflexibility and determination of the international communist empire to reach the objectives laid down for it many years ago, that doubt should have been removed by the communist summit conference which took place in Moscow last November. In spite of disagreement between the two wings of the international communist movement, the Chinese and the Russian, and the perhaps satisfactory resolution of that difficulty in favour of the more moderate wing, if you can call it that, it was made perfectly clear at that conference that we can expect and must look

forward to conflict inside co-existence. The Soviet and her satellites have no intention of altering their strength in the world and prejudicing their ability to achieve their objectives by any form of international agreement which did not leave them at least relatively as strong as they were before that agreement was signed.

This is perhaps the most sinister thing that came out of that conference, the resolutions and statements of which really bear study.

One statement said for instance, that there would be liberation wars as long as imperialism exists, as long as colonialism exists. Of course, that is imperialism and colonialism as interpreted by the international communist in his own way.

This statement went on:

> Wars of this kind are revolutionary wars. Such wars are not only justified; they are inevitable. The communists support just wars of this kind wholeheartedly and without reservation and they march in the vanguard of the peoples fighting for liberation.

That does not necessarily mean that in November last the communists in Moscow declared war on the rest of the world in the sense that they were going to let loose the forces of military aggression. But it does surely mean that they hope to achieve their objectives now without the need of military aggression, because military aggression means nuclear war; military aggression means retaliation by nuclear weapons. Mr. Khrushchev, being a realist and knowing what this means, hopes to achieve his objectives by non-nuclear and, if possible, non-military methods, political and economic.

That, perhaps, is the main foundation for even the kind of peace that we have in the world today. By peace I mean the absence of military aggression. Nevertheless, in this situation it is impossible not to remain fearful of the future. The dangers still exist.

It seems to me that the main source of our danger at the present time is twofold. There is the danger from illusions that are created every time there seems to be an easing of the situation, a brightening of the atmosphere.

Every time Mr. Khrushchev smiles we seem to think that things are going to be all right now. In our hopes and our illusions we are tempted to throw away our unity and ignore some of the sources of our strength.

The other danger comes from fear itself. We of the west have a deep, abiding and understandable fear of assault from and destruction by communist power. The impact of that fear, unless we keep it under control, can at times provoke us to action which would be rash and unwise even though it might be essentially defensive. Fear itself can cloud and distort our judgment.

On the other hand, the destructive consequences of a nuclear war resulting from the forces which we fear, are themselves so terrifying that the very thought of them produces another fear which can imprison our policy and our diplomacy, and make cowards of us, unable to face the problems we must solve if we are to survive; abandoning all our principles in the interest of the survival of man threatened with nuclear obliteration. Our fears are justified by contemporary history, but their paralysing effect is not.

The policy of Soviet Russia, its absorption of neighbouring countries; the iron hand of its rule through minority communist parties over peoples once proudly free; massive military might to be used without scruple as the instrument of policy—all these give us cause for fear though not for surrender to it.

We have grouped together in the world to protect ourselves against the consequences of the power that provoke these fears. There are a good many associations which form the foundation of our foreign policy for this purpose, as the minister pointed out yesterday. I have not the time tonight to go into them, or speak as I would like to speak about some of them. I can only mention the new commonwealth; the link between the Asian and African countries and the western world at a time when there are very few links of this kind. I think we can take pride and derive hope from the development of the new commonwealth out of the old empire, even the old commonwealth. But it is a very different organization today from what it was a few years ago and it is going to require a high quality of statesmanship indeed to make this growing new commonwealth, with a considerable majority of new Asian and African members, work effectively for peace, security and prosperity as we all hope it will work.

Another organization which is one of the foundation stones of our policy is the North Atlantic treaty organization. We on this side believe in that organization. It would be strange indeed if we did not. We still believe in it and have not last faith in it as have my hon. friends in the C.C.F. party. We believe in it as the foundation of security, and as the foundation of our collective defensive strength. But we know perfectly well—the minister perhaps did not make this very clear yesterday—that the organization itself during the last year has faced some serious problems, and that there have been some trends and tendencies which, if they are not checked, might lead to its weakening and disappearance. I am not being unduly pessimistic or gloomy when I say that, because it

must be known by anyone who has been following the development of the North Atlantic treaty organization in the last year.

When we mention these things it is only with the hope that these trends can be changed. The chancellor of the west German republic, who is one of the strongest and most fervent supporters of the North Atlantic Treaty Organization, had this to say in Texas the other day:

> It looked for a time as if NATO were going to fall apart.

I should add that he went on to say that as a result of his visit to Washington he felt a little better about it.

The minister will know that the recent secretary general of NATO, Mr. Spaak, who has worked so hard and brilliantly for the organization, has had some frank and worried things to say about its future. Perhaps at this point I should pay my respects to the new secretary general who I think will undoubtedly serve the organization in the same way as did his predecessors, Mr. Spaak and Lord Ismay. I refer, of course, to Mr. Stikker who was once a distinguished foreign minister of his country, the Netherlands.

The reasons for our worry on this side—I am sure the minister, though he may be inhibited in saying these things publicly, at times shares these worries—are obvious. We feel on this side that NATO has not adapted its defence strategy to new circumstances, new threats, new situations, confronting it in the last few years. One fear for the future, surely, is in an over-reliance on nuclear weapons. To rely on nuclear retaliation alone, or for a nation to risk its existence by deliberately depending on a strategy which permits of no alternative but annihilation or capitulation in the face of every threat, is certainly a very dangerous situation. That is something that we want to avoid in NATO. To avoid it we have to strengthen NATO's conventional forces so that the organization will not have to rely too much even on tactical nuclear retaliation.

Another danger facing the organization is the introduction of colonial problems and difficulties into NATO in areas which are technically outside the NATO zone but which in fact cannot help but have an effect on NATO itself. These colonial difficulties have, I am sure, caused division and disturbance, and perhaps at times, some distress inside NATO. It will be difficult I would think, to have the kind of co-operation which is required in the North Atlantic treaty organization, if there is division between the members of NATO in respect of matters outside—divisions which reflect themselves also in policies at the United Nations. It may even be dangerous for the future, if we have to keep trying to relate co-operation in Paris to conflict at New York.

There is another worry developing in NATO. At least one member does not seem to share the views of practically all the others, that the direction must be toward greater collaboration and integration, both political and in defence.

As one who believes in this organization, I hope that these difficulties will be surmounted; that these dangers will be overcome so that NATO will be stronger both in the field of collective defence, and collective non-military action because, after all, strength is more than military.

I now want to say a few words about the United Nations. We have heard, with interest, a great deal about the United Nations from the parliamentary secretary this afternoon and this evening, and from the minister yesterday. As with NATO, I do not think it is being unduly pessimistic to say that the United Nations is facing very difficult times at present. I could not help being impressed by an article in *Foreign Affairs* for April, 1961 by Mr. Hamilton Fish Armstrong, one of the great supporters of the United Nations over the years, one who was also present at the founding conference at San Francisco in 1945. Under the title "U.N. on Trial", he had this to say:

> In the closing days of the general assembly last December one heard even responsible heads of delegations remark, sadly, bitterly: "The United Nations is done for."

He goes on to say:

> The United Nations, though not yet done for, is indeed on trial for its life—

Perhaps that is a little over-dramatic but there is no doubt, as some hon. members pointed out yesterday, that we are facing new problems, new difficulties, and at least some new dangers at the United Nations. We are doing this at a time when it is more essential to preserve and strengthen this world organization than perhaps at any time in its history. I say that because, as the international situation deteriorates, that is the time when the United Nations should be most effective. It should also be more effective now than it was ten years ago because it is a better reflection of the world in which we live.

It is a more complicated, at times, a more disturbing reflection; 99 members, 45 of whom as the parliamentary secretary pointed out a few moments ago, come from Asia and Africa. But with all its complexities, the difficulties and the irritations; with the large new membership and with the shifting

of influence and authority to new nations, recently colonial, suspicious, sensitive, with all of that, I venture to say that this organization now reflects the world in which we live probably more accurately than that which we set up in San Francisco, which carried on the traditions, the diplomatic procedures, the political courtesies and conventions of western Europe of the nineteenth century and the league of nations in the 1930's.

We could all perhaps adjust ourselves to those changes without difficulty if we were allowed to do so by the communist bloc inside the United Nations. Yet last autumn Mr. Khrushchev showed that he was even willing to take the risk of destroying the world organization if it got in his way and he could not alter it. He showed this in the attitude of his government toward United Nations intervention in the Congo and in Africa generally.

He has also shown it in his attack on the Secretary General of the United Nations. I congratulate the minister, the parliamentary secretary and, indeed, the government on the way in which they have stood up for this great man. One of the hopeful developments in the last two or three months, after some very worrying times last fall, is the way in which the secretary general has managed to rally support around him. His position is stronger today than it was a few months ago. But the communist bloc has made it clear, I think beyond doubt, that they will do their best from now on to destroy not only this man because he has got in their way, as Trygve Lie got in their way, but also the office of secretary general. That is what in fact their proposal would amount to. As the parliamentary secretary pointed out, their proposal called for three secretaries general. Putting the office into commission with a communist, a non-communist and an anti-communist, simply means frustrating and hamstringing it so that it could not work at all. Indeed, the alternative proposal put forward, I think by India, for assisting the secretary general with three deputy secretaries general, one communist, one non-communist and one anti-communist and which, superficially, seems to be a more reasonable and perhaps workable proposal, might very well have the same ultimate effect itself on the office.

If the United Nations is to survive and remain strong it will be because the middle powers, both the uncommitted and the committed middle powers rally around an organization which is the one organization that can save them as a force in the nuclear world. In return, they are the ones, these middle powers, that can save the organization.

The minister had a good deal to say about disarmament. It is very hard at times—perhaps not so hard for the minister who is not a cynical person—not to become cynical about the absence of progress made in this vitally important field.

I have been concerned with disarmament conferences and commissions and developments since the first league of nations disarmament conference in 1932. At that time I think we got about as far after the first month of that meeting as we have got now. This is no argument for slowing down our efforts, of course, but it is an indication of the complexities and difficulties of the problem. Yet, I cannot refrain from pointing out, there are many decisions to be made by the Canadian government, especially in the field of defence, which are dependent upon progress being made in disarmament, so we are told. There is also the resolution supported by the Canadian delegation last autumn, the Irish resolution, I think, to prevent the extension of nuclear weapons to countries not now possessing them. This was supported by the Canadian delegation and I am certainly glad that support was given, but it depended we are told, on significant progress in the immediate future in the disarmament negotiations. I would hope that if there is not the kind of significant progress which the minister may have had in mind when that resolution was put forward, that this will not be used as a reason for abandoning the resolution.

Yesterday the minister mentioned the question of nuclear tests. I do not know how long—at least two or three years now—we have been struggling with that specific and concrete problem. Our hopes go up and down. There was a time when it looked as if the powers were almost on the verge of an agreement. Now they are further away from an agreement than they were six months ago.

Yesterday the minister explained why an agreement had not yet been achieved. With the Russian position at Geneva now falling back on the veto over control arrangements, I do not know how it is going to be achieved. However, the minister did say that notwithstanding, during the period of these discussions no nuclear tests had taken place. I wonder how we know that? If we can be sure that during those three years no nuclear tests took place, if we can be sure of that, then we do not need to worry about control arrangements in a nuclear test agreement. I hope no nuclear tests have taken place, but the fact that we have to insist, and rightly so, on control and inspection arrangements indicates that presumably we do not know whether or not they have.

I now come back to our own continent, and I should like to say a few words about our relations with the United States, especially in connection with the current Cuban problem, something that has been touched on by nearly everyone who has spoken in this debate. The minister said yesterday in connection with this delicate and dangerous situation, and of course he was right, that this is a time for cool-headed action and words. I think that is true. He might pass that on to his colleague, the Minister of Trade and Commerce (Mr. Hees).

Mr. Speaker, we will not be able to understand—at least I am not able to understand—the immediate significance of the Cuban situation without studying it against the background of general Latin American developments over recent years. Social and economic revolution is taking place in certain Latin American countries. I think that is both inevitable and desirable. Mr. Macmillan's winds of change are blowing in Latin America, and not only in Cuba where they have achieved destructive gale force.

This is happening in many Latin American countries. It is one of the reasons why I am glad we have extended our representation in that part of the world. Many of those who are interested in this social and economic evolutionary development in those Latin American countries are greatly attracted, or at least were greatly attracted, by what has happened in Cuba. Many of these people abhor communism just as they also abhor some of the dictatorial non-communist rulers that they have been subjected to in their own countries. The difference between the two tyrannies, however, is that a local tyranny is only local but a communist tyranny is an international one. That is a big difference. And behind all these social and economic movements in Latin America, or in any country of the world, lurk the forces of communist imperialism, who are hiding in the background, perhaps not responsible for the initial surges and developments but ready there to exploit them and to take charge of them.

As I see it, Mr. Speaker, intervention from outside against economic and social change is both futile and dangerous. If it were only a question of a local dictator perhaps there would not be the problem in all its dangerous implications that we find in Cuba today. But that problem becomes infinitely more dangerous, more difficult and more complicated when the dictator has behind him those international forces that I have been talking about, the international communist conspiracy. That has been the situation in Cuba, of course. Something that started out as a social and economic revolution, which won the support of practically everybody interested in human progress, the support of practically everybody in the United States and in most of the Latin American countries except the dictatorial ones, has been taken over by international communist forces.

I think that what happened last week in regard to the policy of intervention by the United States was a mistake. Having in mind the way the landings worked out, it was certainly not very successful. Yet we would be wise not to lose our sense of proportion in regard to this matter. We would certainly be most foolish if our reaction were to assimilate United States policy with Soviet policy in Budapest, the Congo, or any other part of the world. The United States is our neighbour and friend. It is a free democracy where public opinion can express itself, where mistakes are made known and can be corrected. That does not apply in communist dictatorships. Furthermore, the United States today is the only power strong enough to provide the nuclear deterrent which, until there is general disarmament and we can find a stronger foundation for peace than force, is absolutely essential for the preservation even of the kind of peace which we have. Because of its strength the United States alone today can give us leadership as we face powerful and aggressive empires whom we have good cause to fear. Therefore, surely it is in our interests as Canadians to try whenever we can to support the United States to the very limit of our ability as a member of the coalition of which we are a member but to support her in the way which is both best for the coalition and best for ourselves.

We should rejoice when United States leadership is strong and wise and we should lament when things go wrong. But lamenting in that way is very different from getting almost a kind of sly satisfaction out of some American default or some American mistake; a kind of satisfaction based in part on envy. When mistakes are made, and I think a mistake was made by the United States government in this Cuban matter, that is the time to try to help to put things right rather than indulge in purely negative criticism.

Certainly Cuba presents one of these situations. We should not forget that the intervention which took place was not by Batista Cubans but, so far as I know, for the most part by Cubans who had fought against Batista in the early days of the revolution. That does not alter the fact that the intervention was a failure almost to the point of a fiasco, and the United States cannot escape some responsibility for both the intervention and for the failure.

I know that up to that time the United States showed great patience in the face of very considerable provocation. I remember

when we talked about this in the House of Commons last July 15. In my contribution to the debate on foreign affairs at that time I had this to say about Cuba and I have no cause to change the words used then. As found on page 6358 of *Hansard,* I said:

> I think the United States of America has shown very great patience in this situation up to the present time against very considerable provocation. I suggest that the United States will have to show even more patience, and that is not going to be easy in the light of what is going on on the island of Cuba. Intervention by armed forces or intervention by forces of any kind, the illegal use of force to protect even vital economic and other interests, is not now possible in the world in which we live. The Suez incident certainly showed that, and the United States should be just about the first country in the world to draw the right conclusions from that incident.

What was the reason for this action? What should be done about it now? What should be the policy that we as neighbours of the United States should follow? What line should we take? It seems to me that the menace to the United States in the situation in Cuba is not a menace to her territorial integrity. That is nonsense. The United States could deal with Cuba in a few hours in a straight conflict between the two countries. The menace to the United States, and it is a very real one which we would certainly appreciate in this country if we were in a similar situation, is that Cuba may be used as a base for the extension of communism to other Latin American states by the centre of communist power, the Soviet union, exploiting for that purpose legitimate forces for economic and social progress in those countries and taking over those forces so that eventually they will become totalitarian satellites surrounding and pressing against the United States. This is the situation as a great many Americans see it; a communist base of that kind, not a menace to the United States directly, of course, but a menace in the way I have indicated; a base only 90 miles away from the shores of the United States, even closer than Formosa is to mainland China. Therefore American anxiety is understandable.

What should be done? I suggest not what was done last week where the worst of both worlds seems to have been achieved. I read yesterday an article from Washington written by Mr. Max Freedman who writes for the Manchester *Guardian* and the Winnipeg *Free Press*. He had this to say, and these are pretty worrying words:

> The time has come to set down certain clear facts that have emerged from the wretched tangle of error and miscalculation that haunted the Cuban affair. The Kennedy administration intends to use force if necessary against the Castro government if no effective action can be obtained through the organization of American states.

Surely, Mr. Speaker, it is not inappropriate for a country that is her friend to urge the United States to bring about the appropriate action that is necessary through the organization of American states. Otherwise, it means unilateral intervention. The long range result of that, however great the provocation, would surely be unhappy in terms of relations between the United States and her Latin American colleagues in the organization of American states who have shown themselves over the years to be so sensitive about American unilateral intervention even when it was justified. It would also be an unhappy development for the position of the United States in the Atlantic coalition, even more so if the United States could be charged before the United Nations, however unfairly and unjustly, even on a technicality of aggression.

Therefore I can only express the hope, as I am sure all hon. members do, that whatever action may have to be taken will be taken collectively through the organization of American states or at least attempted through that organization.

The President himself made a statement on April 20. This is the one that has caused so much interest, not unmixed with anxiety. The President said this, and these are the words that have been quoted so much in Canadian newspapers in recent days:

> Should it ever appear that the inter-American doctrine of non-interference merely conceals or excuses a policy of non-action—if the nations of this hemisphere should fail—

We are told he did not mean Canada.

> —to meet their commitments against outside communist penetration—then I want it clearly understood that this government will not hesitate in meeting its primary obligations which are to the security of our own nation.

I interpret this to mean that if there is outside aggression against a Latin American state or against the United States, the United States will discharge its obligations for assistance and for its own security, under the appropriate treaty. I get some support for that interpretation from the first sentence of that same paragraph of the President's statement which has not been quoted very much. He said this—these are good words:

> Any unilateral American intervention, in the absence of an external attack upon ourselves or an ally, would have been contrary to our traditions and to our international obligations.

I should like to think that is still the policy of the United States government. In other words, intervention will be based on collective resistance to aggression under the appropriate hemisphere doctrine. That doctrine, of course, is the Monroe doctrine which goes back to 1823. We have been told at school that this doctrine should really be called the "Canning's policy" because if it had not

been for George Canning and the British navy President Monroe would never have been able to put it into effect early in the 19th century. President Monroe enumerated it in 1823. It is interesting to read his words now. All you have to do is change a couple of words and his statement is applicable to the situation today. He said, in 1823:

It was impossible that the allied powers should extend their political system to any portion of either (American) continent without endangering our peace and happiness; nor can anyone believe that our southern brethren—

The Latin American states.

—if left to themselves, would adopt it of their own accord.

That has a 1961 ring. This doctrine has been interpreted in various ways throughout the century. The recognized American interpretation, and the one on which the United States government has acted in recent years was laid down by secretary of state Olney in the latter part of the 19th century when he said —I hope it is still this interpretation of the Monroe doctrine which will prevail:

It does not justify any attempt on our part to change the established form of government or any American state or to prevent the people of such state from altering that form according to their will and pleasure.

The latest statement bearing on this doctrine was made at the inter-American conference at Caracas in 1954. I think it is interesting to put on the record now a paragraph from that declaration. It certainly has a bearing on this situation and, I venture to hope, will guide the policy of the United States government when it faces difficult problems in the days ahead. The United States and the Latin American states in 1954 accepted this declaration:

That the domination or control of the political institutions of any American state by the international communist movement, extending to this hemisphere the political system of an extracontinental power, would constitute a threat to the sovereignty and political independence of the American states, endangering the peace of America, and would call for a meeting of consultation to consider the adoption of appropriate action in accordance with existing treaties.

This would seem to me, Mr. Speaker, to give any member of the organization of American states adequate power to invoke collective action in the situation set out in that paragraph, that is one of communist aggression against or domination of American states. Section III of this declaration states:

This declaration of foreign policy made by the American republics in relation to dangers originating outside this hemisphere is designed to protect and not to impair the inalienable right of each American state freely to choose its own form of government and economic system and to live its own social and cultural life.

[Mr. Pearson.]

I cannot help but think that if the United States government took unilateral action—I am not suggesting it will—against the provisions of that particular paragraph there might be a difficult situation created, especially in view of what secretary Herter had to say at the Santiago conference in 1959. This also has a bearing on the present situation. He had been talking about intervention and non-intervention and relating it to the earlier Caracas conference. Secretary Herter said:

Moreover, it appears that at least some of these expeditions were organized in other countries with the knowledge and consent of officials whose governments were pledged to prevent such action. Expeditions have obtained arms from official sources in other countries despite public declarations of policy to the contrary.

Some of these movements have been justified before the public on the grounds that they were undertaken for the purpose of establishing more democratic regimes in certain countries and that thereby they helped to fulfil a principle of the charter of the O.A.S.

I do not wish to speculate on what the motives may have been behind these interventionist activities. Yet, whether or not they were commendable we cannot conduct our inter-American relations on the theory that the end justifies the means, and that the charter and other treaties may be flouted at will.

I am sure, Mr. Speaker, the United States government will adopt this attitude toward the problem about which we have been talking, and I am sure that by adopting such an attitude they will get the other American states behind them, thereby enabling them to take stronger action against communist penetration than would be possible by any form of unilateral action. That is what we must have in mind in our own country because we recognize today the provocation and menace in what is happening in Cuba. We hope that this menace can be dealt with in a way that will not make it difficult for the friends of the United States who ask for nothing better than to follow her wise leadership in the search for peace and security in the world.

I talk like this tonight as a Canadian. But Canada is not in the organization of American states. We are told that President Kennedy did not have Canada in mind when he talked about the western hemisphere. I am sure he was thinking only about the members of that organization. It seems to me that if we are to recognize this new—it is at least new in its manifestations—menace of communist penetration, this use of a Latin American state as a base for communist penetration into other American states, this taking advantage of a legitimate desire for economic and social change which cannot and should not be damned; if we feel that the menace can best be dealt with by collective action

through the organization of American states, and if it is a menace to Canada as much as to any other state in the western hemisphere, then perhaps the time has some for Canada to take its responsibilities as a member of the organization of American states. Perhaps we should not wait for the Canadian institute of international affairs to tell us what to do in this regard in view of this changed situation; although, I am sure the minister will get the best advice in the world from the public-spirited experts of that institute.

So I should like to echo what the hon. member for Essex East said yesterday. In view of the growing importance of Latin America in the world; its economic and commercial importance; in view of the necessity of the states of the western hemisphere working together to deal with these dangers of communist penetration, sympathetic consideration should be given by the minister now to something which he seemed to be considering very sympathetically a year or so ago, the problem of Canadian association with the organization of American states. That is one piece of advice, and I think it is the only piece of advice I have given to the minister, in a speech which is already far too long.

Mr. Douglas Jung (Vancouver Centre): Mr. Speaker, in the concluding minutes of this very important debate, I merely wish to speak very briefly on Canada and the Pacific. I shall confine myself to this topic for three reasons. The first reason is that as a member of NATO we agree with the principle of the need to help undeveloped countries and these undeveloped countries are situated mainly in Africa and Asia. The second reason is that we also have member commonwealth countries in the Pacific. My last reason for talking about Canada and the Pacific is that we shall have to consider the competition between the free world and the communist bloc to win those uncommitted countries, and our discussions will underline the fact that the problems facing us are changing from month to month and that we must use great imagination to solve these problems.

In our dealings with other nations, Mr. Speaker, and in our effort to find solutions to the various political and economic problems, I suggest that we must first reassess our own thinking in order to find out if some of the things in which we believed some 50 years, 25 years or 10 years ago are still valid. I particularly have in mind the concept of the sovereignty of nations. My concept of the sovereignty of nations is that each country has the right to administer its domestic affairs without interference from other countries.

A few years ago I suppose that if a country had sufficient natural resources, a large population and an economy sufficiently developed to supply the needs of its own people from its own resources and if this country had reasonably capable leaders, this concept might hold true. But is this concept true today, Mr. Speaker? Can any country stand alone sufficient unto itself? Using my earlier criteria I can think of only two great powers which come near to fulfilling these qualifications and these great powers are the United States of America and the Union of Soviet Socialist Republics; and even these two great powers are dependent on other countries for many vital things.

It appears to me, Mr. Speaker, that many countries in the free world have recognized that national sovereignty is a highly effective rallying cry for domestic politics, but in international dealings a rigid adherence to the concept of national sovereignty is unrealistic. It is for this very reason that 15 nations have joined themselves into NATO. As the Prime Minister (Mr. Diefenbaker) has said, "There is no sovereignty without survival".

I know that many Canadians feel strongly about sovereignty. There has been criticism that we are a satellite of the United States and that our armed forces are but mere appendages to the U.S. forces and therefore subject to the whim of the Pentagon in Washington.

Let us be realistic, Mr. Speaker. No matter how much it may appeal to us in our hearts and to our national pride can we, by virtue of our physical limitations, stand by ourselves in trying to solve our problems of defence and of trade? On the other hand, in spite of these physical limitations, Canada's role in international affairs is such that we are being regarded more and more as a major power. I suggest that Canada is living proof that a country need not have huge armed forces in order to be considered a major influence in world affairs.

We can therefore see that the concept of national sovereignty is altering because in NATO, by voluntarily sacrificing some of our sovereignty, we preserve our right to survive. Survival then, in modern times, is based on a collective arrangement. This implies a sharing with other nations not only of obligations but also of benefits; and this brings me to the subject of trade and assistance to the underdeveloped countries of the world and to the topic on which the minister himself spoke at length, namely, Canada and the Pacific.

On November 2, 1959, Mr. Paul-Henri Spaak, who was then secretary general of

NATO, addressed the Imperial defence college in London. Among other things this is what he said:

> Provided that the military forces in the free world are maintained efficient and up to date, it may well be that Europe will no longer be the main scene of the long term struggle between communism and the free world. This will very largely take place in the economically underdeveloped countries of Africa and Asia.

His statement was followed in December by the Atlantic congress of NATO which reiterated the need to switch the emphasis from military forces to economic co-operation not only among the NATO countries themselves but also in the underdeveloped areas of the world. On November 11, 1957, I myself spoke in the House of Commons about the aspect of aid to the underdeveloped countries. Because of the shortness of time at my disposal I will not make detailed reference to or quote my own speech.

Mr. Speaker, we can be proud of our contribution to some of these countries. The assistance which we have extended under the Colombo plan has been far-reaching, ably administered and well received. If anything, we have been unduly modest in letting others know about our contribution. However, not all of the contributions of the free world to these underdeveloped countries have had the same results. There have been cases of extravagance and poor administration and, instead of earning good will and friendship, we have in some instances suffered ridicule and animosity.

In our haste to woo the uncommitted countries, we have sometimes poured money into projects which at best are of a stop-gap nature and which cannot produce lasting results. Measures designed as emergency help catch us on the horns of our own dilemma because if we were to discontinue this type of help the U.S.S.R. would step in to fill the vacuum. Yet we dare not impose control or restrictions because to direct that long range measures must be undertaken by the recipients in order to help develop industry, promote education, social welfare and the like, would leave us open to the charge that we are interfering in domestic matters.

We must therefore revise our thinking in so far as financial aid to these countries is concerned. Financial aid alone is not enough. That help must be extended with a genuine and sympathetic interest. We have heard reports to the effect that loan administrators have gone into countries and that the first thing they did was to set up a private club for their social life. There is nothing wrong with that procedure because anyone going to a strange country instinctively turns to something familiar. But let us contrast this procedure with the actions of the communist mayor of the city of Semarang in Indonesia, who works twice a week for a total of seven hours "for free" in order to help construct village roads and schools. He has also collected from the sale of empty bottles, enough money to build a primary school.

In competing to win the friendship of the people in these underdeveloped and uncommitted countries we sometimes forget to take into account their temperament, background and philosophy. Because they experiment with communism we are afraid that they will turn communist. Let us not forget that, in the eyes of these people, neither the communists nor the people of the free world approach them with spotless records. To these countries the great attraction of communism is that, under a socialist system, the U.S.S.R. has been able in a very short time to catch up with and in certain areas to surpass the west.

Let us remember that many of the Asiatic peoples have developed over a long, long time their own philosophies and cultures and that to them communism is something which appears to be another philosophy which they can examine and with which they can experiment without any danger of losing their basic philosophy. A recent example of this is the overthrow of the communist government in the state of Karala in India. These Asian people are a patient people and they are prepared to wait 10 years, 50 years or 100 years for their television sets or homes with two-car garages. However, there is no doubt that they want their independence now; and it is in this respect that they are impatient because they feel that independence will give them dignity.

To a people who were creative and artistic enough to be wearing silks and to have developed a very sophisticated culture when some of our forefathers were still roaming the country in animal skins, time is not measured in generations but in hundreds of centuries. That is why spiritual and personal dignity mean more to these people than next year's car.

Mr. Speaker, Canada's role in the Pacific is a significant one. We have had a good start with the Colombo plan. But Canada must also look to its own expansion. New expansion means more trade, but where are we going to get this trade? Even within the commonwealth we do have the trade that we would like.

In an effort to establish economic stability and to encourage economic expansion nations are now forming economic blocs without too much regard for political implications. It may

well be that the establishment of the European common market marks the beginning of a new era in world trade, because nations are beginning to enter into economic alliances even where they differ geographically, politically and racially.

I suggest that an example of this is Australia. Drawn by her political and racial background to the west, she is in a natural and physical position to contribute a great deal to Africa and Asia, much more so than Canada. When the time comes, is Australia to sacrifice a magnificent opportunity purely in the name of the commonwealth, and insist on trading with only the English speaking nations of the world? I think not. For that same reason I suggest that Canadians take a new look at our relations with our neighbour the U.S.A. and every other country in the world.

In the economic battle ahead we must use every bit of ingenuity, strive for maximum efficiency and make bold moves because we are facing ruthless competition. As Mr. Khrushchev said as far back as 1955 to a group of visiting United States congressmen:

> We value trade least for economic reasons and most for political reasons.

Recent events have shown no changes in the position taken by Mr. Khrushchev. That is why I am glad to hear the minister say that he intends to pay more attention to the Latin American countries.

Finally, may I say a word about the efforts of the minister to bring about discussions on disarmament. At the United Nations he has established himself as a man dedicated to peace. To those who know him, this is not surprising. However, his efforts at the United Nations have not all been warmly received and I know there must have been times when the minister felt discouraged. But it is the mark of a man, Mr. Speaker, that in spite of these difficulties he has persisted in his efforts.

The fact that Canada was a member of the ten power disarmament committee is eloquent testimony to the work done by the minister, and I give him my wholehearted support in anything that he does which will bring about fruitful discussions.

I put on record my support for his efforts for disarmament, because there are some in this country who seem to think that our leaders are uninformed and indifferent to the consequences of a nuclear conflict.

Those who hold that attitude, in my opinion, do a great disservice to the people of Canada when they try to spread the picture of our leaders callously leading our country to destruction. No one knows better than the Prime Minister, the minister himself, the Minister of National Defence (Mr. Harkness), and others in the government, the horrors of nuclear war. Most of us in this chamber have served our country in war and no one need lecture us as to the waste and futility of war.

The mere fact that we are maintaining our defence until such time as a satisfactory formula for disarmament is found is entirely consistent with government policy. Indeed, how can anyone, in all honesty, advocate unilateral disarmament on our part when there is no similar desire on the part of others?

Disarmament could be accomplished tomorrow if the major nuclear powers could agree to the necessary procedures for inspection. But until such time we can only support the efforts of the minister in trying to bring together the nuclear powers so that disarmament discussions may be continued.

Learning how to live together is much more difficult than learning how to fight together. There are times when we will be impatient, but we cannot all at once build for a hundred years. None the less, I am in agreement with the statement made last year by the minister when he said that Canada will end this decade as one of the leading nations of the world.

When we achieve that status—and I say this without derogating in any way from the contributions made by his colleagues or predecessors in office—I am sure that the minister will derive great personal satisfaction from the contribution he has made in helping Canada attain that position.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I understand that under the rules I have no right of reply in this debate. However, perhaps hon. members of the house will bear with me for a minute while I express to those who have participated in the discussion—as the Leader of the Opposition (Mr. Pearson) so aptly called it a few moments ago—my thanks for the manner in which the debate has been conducted, and also for the very helpful suggestions which have been made.

Quite a few hon. members had hoped to participate in this debate but have not been able to do so because we allotted just two days for it. Of course, I was personally responsible for several hon. members being unable to take part because I spoke too long yesterday afternoon. For that I apologize.

However, I understand that the sittings of the external affairs committee are to commence next week and I plan to be available for interrogation, further suggestions and criticisms in that committee before leaving for the NATO meeting in Oslo a week from tomorrow night.

I am sure we can all look forward to further consideration of these vital foreign affairs problems and that this consideration will be a great help to our own nation, as I feel this debate has been during the last two days.

Mr. Speaker: Pursuant to the order of the house made on Tuesday last, it is now my duty to put the question on the motion now before the house. Before doing so I may say that the special order of the house was probably wide enough, as it permitted a general debate, to permit the Secretary of State for External Affairs (Mr. Green) to make his last intervention. However, that does not fall to be decided now.

Accordingly, the question is the following:

Mr. Green moves that items Nos. 76 to 110 inclusive and item No. 481 as listed in the main estimates 1961-62 referring to the Department of External Affairs, be withdrawn from the committee of supply and referred to the standing committee on external affairs, saving always the powers of the committee of supply in relation to the voting of public moneys.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the program is for tomorrow and next week.

Mr. Churchill: Tomorrow, the estimates of the Department of Trade and Commerce. The suggested program for next week will run as follows. The first item on Monday will be No. 6 on today's order paper, Bill No. C-85 referring to the national design council.

The second item will be the resolution in the name of the Minister of Mines and Technical Surveys dealing with the Coal Production Assistance Act. The third item will be the resolution in my name dealing with the army benevolent fund. These two resolutions will perhaps not take up much time of the house.

The fourth item will be Bill No. C-84, which is item No. 5 on today's order paper, an act respecting the vocational rehabilitation of disabled persons, etc. On the order paper tomorrow I expect there will appear a bill dealing with amendments to the Fisheries Act. This will then be available as a fifth item. I am speaking now of Monday and Tuesday combined.

If time permits, we may finally reach Bill No. C-77, which is item No. 4 on today's order paper, dealing with agricultural development.

The intention at the moment is to proceed on Wednesday, Thursday, Friday and Saturday with the estimates of the Department of Trade and Commerce, the Department of Northern Affairs and National Resources and, if good progress is made, perhaps the estimates of a third department will be made available for discussion on Saturday. I will announce that later.

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

ANSWERS TO QUESTIONS

The following answer, deposited with the Clerk of the house, is printed in the official report of debates pursuant to standing order 39:

SEASONAL GRAIN SAMPLERS AND TRACKMEN, LAKEHEAD

Question No. 193—**Mr. Fisher:**

1. Do grain samplers (seasonal) and grain trackmen (seasonal) at Port Arthur and Fort William have any seniority rights or any opportunity to be classified permanent employees within the seasonal framework of operation?

2. If so, what employees in the past two years have achieved such rating?

Questions

Answer by: **Hon. Alvin Hamilton (Minister of Agriculture):**

1. These employees are deemed to be appointed permanent (seasonal) after successfully completing a probationary period of six months' employment. Seniority is determined from the date of this appointment.

2. Since April 1, 1959, the following employees have been deemed to be appointed permanent (seasonal):

Name	Position No.	Classification
Amadeo, F.	IN 5-147 (S)	Grain sampler
Bel, V. P. G.	IN 5-140 (S)	Grain sampler
Carson, J. S.	IN 5-168 (S)	Grain sampler
Cava, A. B. F.	W 5-138 (S)	Grain trackman
De Paulo, J. S.	IN 5-137 (S)	Grain sampler
Douglas, J. P.	IN 5-150 (S)	Grain sampler
Duda, E. J.	IN 5-113 (S)	Grain sampler
Hayne, W.	IN 5-154 (S)	Grain sampler
Kiski, U. W.	IN 5-135 (S)	Grain sampler
Klos, E. H.	IN 5-143 (S)	Grain sampler
Kovach, F.	IN 5-107 (S)	Grain sampler
Kuluski, W. G.	W 5-124 (S)	Grain trackman
Larade, J. H.	W 5-159 (S)	Grain trackman
Lewicki, J.	W 5-126 (S)	Grain trackman
Liddicoat, C. M.	W 5-97 (S)	Grain trackman
Lynch, W. L.	IN 5-164 (S)	Grain sampler
MacDonald, D. M.	IN 5-119 (S)	Grain sampler
McDaid, W. J.	IN 5-128 (S)	Grain sampler
Mork, G. A.	IN 5-125 (S)	Grain sampler
Munro, R. M.	IN 5-130 (S)	Grain sampler
Nyberg, L. A.	W 5-158 (S)	Grain trackman
Perry, D. J.	W 5-131 (S)	Grain trackman
Perry, R. J.	W 5-108 (S)	Grain trackman
Plumb, W. M.	W 5-102 (S)	Grain trackman
Shea, J. G.	W 5-128 (S)	Grain trackman
Werpny, A. J.	W 5-91 (S)	Grain trackman
Whitfield, C. B.	W 5-123 (S)	Grain trackman
Whitfield, J. C.	IN 5-150 (S)	Grain sampler
Williamson, A. A.	IN 5-163 (S)	Grain sampler
Wozny, W. J.	W 5-137 (S)	Grain trackman
Wozy, W. J.	W 5-110 (S)	Grain trackman

HOUSE OF COMMONS

Friday, April 28, 1961

The house met at 11 a.m.

PRIVILEGE

MR. MCGEE—REPORTED ALTERATION IN "HANSARD" BY HON. MEMBER FOR LAURIER

Mr. Frank McGee (York-Scarborough): Mr. Speaker, I am rising on a question of privilege arising out of an apparent change that has been made in *Hansard*. This only came to my attention yesterday although the matter to which I have reference occurred on Monday of this week, April 24. You will recall, sir, that in his introductory remarks the hon. member for Laurier, in a preface to the raising of his grievance, made the following statement with reference to Bomarc missiles:

> The government is building two Bomarc missile bases in northern Ontario and northern Quebec which, in order to be operative, must be equipped with nuclear weapons—

Mr. Speaker: What page?

Mr. McGee: Page 3933, on the right hand side. A few moments later, as you will recall, I rose on a point of order in order to challenge the validity of that statement. I copied down the words he used and referred to them as found at page 3934. No reply was made to that statement of mine, and I was astonished yesterday to have it pointed out to me that in fact the word "operative" appears to have been changed to "effective". I am not suggesting for a moment that the hon. member made this change intentionally, but it would certainly seem to me that it would require some explanation.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, when I was discussing this motion the other day the hon. member rose on a point of order and said that he had taken down my words. The words which he took down were taken down erroneously. They were not the words I had used on the occasion in question.

I do not remember whether or not Your Honour was in the chair at the time, but I believe you were. However, Your Honour made it quite clear to the hon. member that he had no right to interrupt me at the time he did because he was not making a point of order but was challenging a statement I had made. Your Honour also made it quite clear to him that if he wanted to challenge a statement made in the house he should follow the rules of the house and make a statement afterward. He did not choose to do that, but today he rises in his place on a question of privilege, four days after the occasion arose. I think the practice of this house, as you have ruled repeatedly, Mr. Speaker, is that when there is a question of privilege a member should rise immediately thereafter.

Mr. Speaker: If I am correct in understanding the hon. member for York-Scarborough, his question of privilege relates to the alleged change of the word "effective" to "operative".

An hon. Member: It is the other way around.

Mr. McGee: It is my submission, Mr. Speaker, that the word "operative" was used, and upon being challenged later it now appears in *Hansard* as "effective".

Mr. Speaker: That is in the remarks attributed to the hon. member for Laurier?

Mr. McGee: Yes.

Mr. Speaker: I am not sure that the hon. member's complaint is one that warrants attention after four days have elapsed. However, if the hon. member for Laurier wishes to comment on the alleged question of privilege arising from the change of the words, I shall be glad to hear him.

Mr. Chevrier: I have nothing to add to what I have already said, Mr. Speaker.

BUSINESS OF THE HOUSE

FREIGHT RATES REDUCTION ACT—EXTENSION OF LEGISLATION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Transport, and ask if the minister can explain why legislation to extend the application of the Freight Rates Reduction Act has not been presented to the house.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the resolution is on the order paper and legislation will follow in due course.

Mr. Chevrier: May I ask a supplementary question, Mr. Speaker. Does the minister

realize that if this legislation is not passed before the day is out either the freight rates increase goes into effect or the government will have no authority to compensate the railways financially?

Mr. Balcer: This aspect of the question will be looked after in the legislation that will follow.

Mr. Chevrier: Mr. Speaker, may I ask the Prime Minister a supplementary question arising out of that answer. Has the government made any arrangements with the railways to have them continue the reductions as they now exist, and have they been given any assurance that they will be compensated therefor?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think the answer of the Minister of Transport is sufficient. When the legislation is introduced the hon. gentleman will have his answer. He will recall that there were occasions during the period when he occupied a seat on the treasury benches when directions were given by ministers. I hope we will not follow that course.

Mr. Chevrier: Would the Prime Minister allow this additional question. Is the Prime Minister able to point to many occasions when an amendment to a statute of this character, expiring as it does tonight, was not introduced earlier?

Mr. Speaker: Order. I think the hon. member's question is a debating question rather than one that is pressing for action.

[*Later:*]

Mr. Chevrier: Mr. Speaker, following the question which I asked the Minister of Transport a moment ago I wonder whether I can add another one. Will the minister tell us whether any statutory authority exists under the Freight Rates Reduction Act to continue the reductions after midnight of April 30?

Mr. Balcer: I will ask for a legal opinion, Mr. Speaker.

Mr. Speaker: I do not think it is in accordance with practice to ask for information which is available equally to all members of the house, and I consider that the statutes, as enacted by parliament, are equally available to all hon. members of the house.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder, sir, whether I can ask the Minister of Justice, in that case, whether there is any order in council of which the house has not been apprised which will continue the reduction of freight rates beyond midnight of April 30 next.

Mr. Balcer: Mr. Speaker, this question was answered by the Prime Minister a few minutes ago when he stated the practice and the policy of this government in matters of this kind.

Mr. McIlraith: It is a question of fact.

Mr. Pickersgill: On a question of privilege affecting all hon. members, I do not think that question was ever put to the Prime Minister or answered by him and, if I may, I would like to put the question. Since it is a matter of the exercise of the executive function and of the responsibility of the executive to this parliament, I should like to ask the Prime Minister whether any order in council has been passed of which the house has not yet been apprised which would have the effect of continuing the freight rate reduction, which will expire at midnight on April 30, beyond that date.

Mr. Diefenbaker: Mr. Speaker, I can understand the interest of the hon. gentleman in orders in council.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Perhaps the Prime Minister would answer my question.

Mr. Diefenbaker: This government does not pass orders in council for which it has no authority, which is somewhat different from the group with which the hon. member is associated.

Mr. Pickersgill: Mr. Speaker, I rise on a question of privilege which affects me and several other hon. members of the house. The Prime Minister has made an allegation affecting the conduct of other hon. members of the house, and I challenge the Prime Minister to produce a single order in council passed by the previous administration which was not founded upon proper legal authority.

Moreover, sir, the Prime Minister made no attempt to answer the very proper question I put to him. I did not suggest for a minute that there had been an order in council passed for which there was not statutory authority. I merely asked the Prime Minister, and I did so in the politest way possible, whether an order in council had been passed of which the house had not yet been apprised. It is quite possible that there would be statutory authority for such an order in council. It is a matter of fact one way or the other, and I think the house is entitled to an answer.

Mr. Speaker: I heard the hon. member on the matter of privilege, and he proceeded from there to criticism of the answer he received, which is not in accordance with the

practice. It is the responsibility of the ministry to determine the kind of answer that is given, and it is not subject to debate.

Hon. Paul Martin (Essex East): On a point of order, I should like to draw Your Honour's attention to page 27 of the standing orders, rule 39, of which I think one would want to have the Prime Minister take particular notice. That rule reads as follows:

> Questions may be placed on the order paper seeking information from ministers of the crown relating to public affairs; and from other members, relating to any bill, motion, or other public matter connected with the business of the house, in which such members may be concerned—

These are the words that I think have a special bearing with respect to the reply made by the Prime Minister:

> —but in putting any such question or in replying to the same no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same; and in answering any such question the matter to which the same refers shall not be debated.

The Prime Minister, Mr. Speaker, has violated that rule. He always answers questions by speaking about another subject.

Mr. Diefenbaker: Mr. Speaker, I was simply imitating the hon. gentleman who has just spoken, and I am glad he knows the rule now.

Mr. Browne (St. John's West): Mr. Speaker, I should like to draw the hon. member's attention to the fact that the rule which he read refers to questions being placed on the order paper.

Mr. Speaker: Order. I think there is no need to pursue the matter further. The same rule also applies to oral questions, I might say, so that there may be no doubt. It is true that hon. members in putting their questions and ministers in answering them very often yield to the temptation of attaching a rider. I hope all hon. members will observe the rule.

Mr. Hellyer: On the question of privilege which was raised—

Mr. Speaker: Order. I see no further need for assistance on the matter.

Some hon. Members: Hear, hear.

Mr. Hellyer: Mr. Speaker, the Prime Minister alleged that the former administration passed orders in council without statutory authority. He has provided no evidence to substantiate that statement, and he should withdraw.

He should provide some evidence or withdraw the allegation.

Mr. Speaker: Order. The hon. member is not in order himself in pursuing a matter that has been disposed of.

Inquiries of the Ministry

BANK OF CANADA—CONSIDERATION OF REPORT BY COMMITTEE

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I wish to rise on a question of privilege. Yesterday I asked the Minister of Finance the following question as reported at page 4042 of *Hansard*:

> I should like to ask the Minister of Finance a supplementary question. Will the minister tell the house whether it is the intention of the government to move to refer the annual report of the governor of the Bank of Canada to the standing committee on banking and commerce, or to any other committee of this house?

The Minister of Finance gave the following reply, as reported in *Hansard* for yesterday:

> Mr. Speaker, following the question asked by the Leader of the Opposition, I really can see no advantage to parliament or to the public in that course.

My question of privilege is that this report in *Hansard* is not in accord with what the minister in fact said. What the minister did say was "I can really see no advantage to parliament, nor is it in the public interest". I do not say that the Minister of Finance has deliberately changed these words but the reported version is not what the minister said. That I am justified in this remark is seen by what Mr. Deputy Speaker said at page 4043 of *Hansard*, when he made this observation:

> Mr. Deputy Speaker: Unless I am mistaken, the Minister of Finance has already indicated he does not consider this suggestion to be in the public interest.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, that is an observation that may be intended to have more implicit in it than is explicit about it.

I believe that *Hansard*, at page 4042, has correctly reproduced my answer. I saw the blues, Mr. Speaker, as usual. I thought they correctly gave my remarks and I made no change in them. The observation made by Mr. Deputy Speaker purported to state the gist, I take it, of what I had said in reply to the question asked by the member for Essex East. In any event, I consider the member for Essex East to be clearly wrong on his facts, as so often happens; and I repeat, I consider that the statement attributed to me in the second column of yesterday's *Hansard* at page 4042 correctly states my remark.

Mr. Martin (Essex East): No, Mr. Speaker, I do not think—

Mr. Speaker: I think the matter should not be pursued. The hon. member has drawn to the attention of the house what he regarded as a question of privilege arising out of a change which he thought had been made, or an erroneous report. The minister has given his word in his place that he did not change

the report and therefore, if there is any error, it is an error in the reporting which does not raise a matter of privilege. Consequently I think the matter cannot be further debated.

Mr. Martin (Essex East): Then I ask the Minister of Finance a question. Does he not think that it is in the public interest the report of the governor of the Bank of Canada should be referred to the banking and commerce committee, or to a committee of this house, for its consideration?

Mr. Fleming (Eglinton): Mr. Speaker, I really can see no advantage to parliament or to the public in that course.

COLUMBIA RIVER TREATY—REFERENCE TO COMMITTEE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister, and I hope in attempting to answer it he will not make inaccurate and offensive observations. Now that the committee on external affairs is about to begin its work, does the Prime Minister anticipate that the Columbia river development treaty will be sent to that committee in the near future?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, whether or not the Columbia river treaty will be sent to the committee will be determined in the light of circumstances as they develop, and also in the light of the request of the committee and the decision made by it.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on behalf of this well mannered group I should like to ask the Prime Minister another question. Will the committee have the opportunity, even prior to consideration of the Columbia river treaty, to ask General McNaughton to appear before it to give evidence with respect to this development?

Mr. Diefenbaker: Mr. Speaker, I am sure that the hon. member, with his adherence to parliamentary principles, will realize that no direction to a committee on the part of the Prime Minister would have any effect whatever. I would hope it would not.

EXTERNAL AFFAIRS

LAOS—INQUIRY AS TO CURRENT SITUATION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Secretary of State for External Affairs. In view of news reports to the effect that the Laos team is split on an understanding of its role and procedure, would the minister inform the house whether the Canadian members of the commission have received specific instructions in this respect, and also would he comment on the situation?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I think the report in question is a bit premature, because the commission was not to meet until today. The key point in this whole Laos problem is whether or not there will be a cease fire in Laos. As I informed the house on April 25, the first step in the procedure agreed to by the co-chairmen at the Geneva conference, that is by the Soviet union and by the United Kingdom, for dealing with the critical situation in Laos was a call to the two parties in Laos for a cease fire. Both sides have accepted this call in principle.

Hon. members will recall, however, that representatives of the parties were requested by the co-chairman to enter into negotiations on, and I quote, "questions connected with the cease fire". In other words, the people who are fighting in Laos are to negotiate on that point. There has not yet been agreement in Laos, so far as I am aware, as to where or when such negotiations will begin. Continued delay in reaching agreement on this matter could have very grave consequences. I earnestly hope a satisfactory agreement will be reached promptly by the parties. Dispatches indicate that the fighting is still going on, in spite of the fact that everybody says we are going to have a cease fire.

If agreement is reached and a cease fire takes place, then the international supervisory commission, which is holding its first meeting in New Delhi this afternoon should, and I hope will, be able to begin immediately its task of verifying and supervising the cease fire, so the subsequent conference of 14 nations can be held as planned in Geneva on May 12.

The Canadian representatives on the supervisory commission have their instructions, and I am sure they will be doing their best to work amicably with the representatives of India and Poland. Mind you, Mr. Speaker, that does not mean that Canada will agree automatically to everything that is suggested by another member of that commission. These are rather complicated discussions and operations, and sometimes things are not as simple as they look on the surface in connection with the work of these commissions. But our objective throughout will be to help in every possible way to bring about a settlement of the troubles in Laos.

(Translation):

NATIONAL DEFENCE

BOMARC BASES—INQUIRY AS TO OPERATIONAL DATE

On the orders of the day:

Mr. J. J. Martel (Chapleau): Mr. Speaker, I wish to direct a question to the Associate Minister of National Defence, a copy of which has been forwarded to the minister's office. Could the minister indicate to the house whether there is any basis to the rumour that the Val d'Or airport in northern Quebec, is to be used exclusively for defence purposes?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, in reply to the question of the hon. member for Chapleau, I wish to state that the rumour is incorrect and that the Val d'Or airport will not be restricted to purely defence activities.

(Text):

SASKATCHEWAN

RESERVATION OF LEGISLATION RESPECTING MINING CONTRACTS

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. Could the Prime Minister please inform the house whether there is any further report on the recent action of His Excellency Lieutenant Governor Frank Bastedo of Saskatchewan in deferring royal assent to bill No. 56.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the government has given very full consideration to this matter, and I think I shall be in a position on Monday to indicate the attitude we will take. Suffice it to say, as I pointed out on an earlier occasion, that the reservation of legislation by the lieutenant governor for the pleasure of the Governor General has generally throughout the years been dependent on a direction from the federal government and the governor in council. There was neither direction nor consultation in this case.

I think that is as far as I will go, until the beginning of next week, when a full statement will be made.

Hon. L. B. Pearson (Leader of the Opposition): A supplementary question, Mr. Speaker. Has the government decided whether or not to table the documents connected with this case, particularly the report of the lieutenant governor?

Mr. Diefenbaker: I do not think any further consideration has been given to that matter. I mentioned at the time the hon. gentleman raised this question that there was some qualification. Personally I have no objection, and I think it is only proper that tabling should take place. If there is not anything to the contrary over the years that would prevent it, I will table what we have at the same time I make the statement.

NATIONAL DEFENCE

BOMARC BASES—INQUIRY AS TO OPERATIONAL DATE

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Associate Minister of National Defence. Can the minister say whether the two Bomarc installations, the one at North Bay, Ontario and La Macaza, Quebec, will be operational this year, as reported in the Ottawa *Journal* on April 26?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, the two Bomarc stations to which the hon. member refers probably will not be operational by the end of 1961, but they should be operational not long after that date.

Mr. Hellyer: A supplementary question, Mr. Speaker. In view of the wide discrepancy in newspaper reports in respect to this matter, I wonder whether the minister would arrange on an early occasion to make a statement which would bring the house up to date on the progress that has been made.

Mr. Sevigny: I believe the hon. member's supplementary question was answered by my reply to his first question.

[*Later:*]

Mr. Hellyer: I should like to direct another question to the Associate Minister of National Defence. Will the minister advise the house when the control centre near North Bay will be operational, and indicate how the Bomarcs will be guided in the period before the control centre is functional?

Mr. Sevigny: Mr. Speaker, in answer to the first part of the question, I refer the hon. member to the answer which I gave a moment ago. As far as the second portion of the question is concerned, I do not believe that it should be treated as representing a matter of urgency.

Mr. Hellyer: A supplementary question. In view of the fact that the minister has not chosen to answer the question, will he include all the information in the full statement that I requested earlier?

Inquiries of the Ministry

TRADE

CO-OPERATION BETWEEN ONTARIO AND FEDERAL DEPARTMENTS IN OVERSEAS MARKETS

On the orders of the day:

Mr. Percy Vivian (Durham): I wish to direct a question to the Minister of Trade and Commerce, notice of which has been given. Would the minister tell the house the relationships which exist between his department under this government and the government of the province of Ontario in the interests of promoting trade jointly with overseas markets, and how the two departments are officially associated in this endeavour?

Hon. George H. Hees (Minister of Trade and Commerce): Yes, Mr. Speaker. I was sent notice of this question relative to a statement which was made yesterday by Hon. Leslie Frost, premier of Ontario, in this regard. We welcome the initiative of the province of Ontario in developing further specialized services, as expressed yesterday by its very able premier, Hon. Leslie Frost. I am particularly happy that these plans call for dovetailing with, rather than duplication of, the vigorous efforts being made by our trade commissioners abroad.

For many years our officers in the United Kingdom and on the continent of Europe, as well as in New York and Chicago, have worked in close co-operation with all provincial offices in important matters, particularly those concerned with the attraction of industry to Canada and matters of general trade development. As do other agencies, our trade commissioners constantly report new opportunities for Canadian exporters in these markets as well as in other parts of the world.

The close co-operation between my department and the provincial authorities has been exemplified by our export trade promotion conference in Winnipeg on February 6 and by plans for similar conferences in Calgary on May 16, in Vancouver on May 18 and in London, Ontario, on May 25. We look forward enthusiastically to further conferences in at least two other centres of Ontario and in other provinces—

Mr. G. J. McIlraith (Ottawa West): I rise on a point of order. It seems to me that the answer to the question is in violation of the rules on at least two grounds. First of all, it contains debatable material and the minister does not confine his reply to the actual information asked for. Second, the minister's estimates are indicated as the business of this day when government orders are called. The hon. gentleman is now taking the opportunity to make a speech about the operation of his department and to give information of a kind which cannot properly be sought by way of answer to a question asked on orders of the day. There is no urgency about this question such as would justify it being asked on the orders of the day instead of later in the day on estimates. Therefore on three grounds I submit that the question violates the rules of orders.

Mr. Speaker: I do not know whether the minister has finished his answer—

Mr. Hees: Almost.

Mr. Speaker: —or whether he wishes to say anything on the point of order. If one were to draw fine or nice distinctions I think the hon. member for Ottawa West is probably correct in saying that this question is not one of urgency but rather one for the estimates as they arise. The matter is of continuing interest rather than something which requires immediate attention. Furthermore, I think the minister in his answer went beyond the terms of the question. However, I take it the matter is not now of serious moment.

LABOUR CONDITIONS

TORONTO—REFERENCE OF UNEMPLOYED TO ROYAL YORK HOTEL BY EMPLOYMENT SERVICE

On the orders of the day:

Mr. Walter Pitman (Peterborough): I should like to direct a question to the Minister of Labour and, in doing so, to welcome him back on behalf of the house from his mission to Washington.

My question is this. Have national employment service personnel referred unemployed persons to apply for work at the strike-bound Royal York hotel and, if so, can the minister assure the house that this practice has ceased?

Hon. Michael Starr (Minister of Labour): It has always been the object of the national employment service to be neutral in these matters. People who may be referred to plants or businesses which are strike-bound are so referred on the basis that the referral slip is stamped with the words "this plant strike-bound". It is then left to the discretion of the person concerned as to whether or not to proceed with his application.

[*Later:*]

Mr. Pitman: I have a supplementary question arising out of the answer of the Minister of Labour. Can the minister assure the house that people who refuse to accept jobs at the Royal York hotel, when recommended by the unemployment insurance commission service, will not lose their benefits?

Mr. Starr: My understanding is that they do not lose their benefits as a result of refusal

to work in a strike-bound plant. However, if the hon. member knows of any occurrence and wishes to bring a specific instance to my attention I shall be glad to investigate.

TRANSPORT

CHIGNECTO CANAL—SPEECH BY DEPUTY MINISTER AT SAINT JOHN, N.B.

On the orders of the day:

Mr. G. R. McWilliam (Northumberland-Miramichi): Mr. Speaker, I wish to direct a question to the Minister of Transport. Will the minister inform the house whether the deputy minister of transport was speaking for the government when he made statements about the proposed Chignecto canal at a meeting of a women's association at Saint John, New Brunswick, this week?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, whenever any policy statement is to be made it is the practice of this government to have it made by members of the cabinet.

POST OFFICE DEPARTMENT

DORVAL—STATEMENT ON REPORTED THEFT OF MAIL AT AIRPORT

On the orders of the day:

Hon. W. M. Hamilton (Postmaster General): Yesterday the hon. member for St. Denis inquired about the theft of mail bags at Dorval airport. I might say that an attempt was made to steal a mail bag at Dorval. The persons concerned were apprehended before the mail bag or any mail was lost, and they are now before the courts.

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): A supplementary question. I should like to know from the Postmaster General whether these bags were stolen after being left unguarded, or whether it was an attempt with violence.

Mr. Hamilton (Notre Dame de Grace): We pay rewards of up to $2,000 for people who are apprehended if it is theft with violence. There was no violence involved in this particular situation. If the hon. member wishes to apply for a reward we shall be glad to consider him, but I do not think he had anything to do with this offence, at least with apprehending the people concerned.

COMBINES

DRUGS—INQUIRY AS TO HOLDING OF PUBLIC HEARING

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Acting Minister of Justice. I am not sure who he is, and that accounts for my scatter-gun glances. In view of the news reports that the combines branch of the Department of Justice has just completed a report on an inquiry into Canadian drug prices which indicates that Canada's drug prices are the highest in the world, and in view of the great interest in and importance of this matter, does the restrictive trade practices commission intend to hold public hearings on this question in the near future?

Hon. W. J. Browne (Solicitor General): I will take that question as notice and bring it to the attention of the Minister of Justice.

ADMINISTRATION OF JUSTICE

TORONTO—INTERNATIONAL CONFERENCE ON CRIME SITUATION

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Acting Minister of Justice. Was the minister consulted in respect of the proposed international conference to thresh out the crime situation in Toronto and adjoining areas?

Hon. W. J. Browne (Solicitor General): Mr. Speaker, I will accept the question as notice and take it up with the Minister of Justice.

HEALTH AND WELFARE

ROYAL COMMISSION—INQUIRY AS TO PERSONNEL

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask the Prime Minister a question based on an announcement he made in the house over five months ago. When may we expect that the members of the royal commission to examine into the question of medical care insurance will be appointed?

Mr. Pearson: In due course.

Right Hon. J. G. Diefenbaker (Prime Minister): I will add one extra word to the answer I gave on another occasion—very, very shortly.

TELEVISION

SASKATOON—RECOMMENDATION OF BOARD OF GOVERNORS RESPECTING LOCATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Minister of Transport whether he or his department has received representations respecting the recent recommendation of the board of broadcast governors that the Saskatoon television station should be located in the area of Kindersley rather than the station at Swift Current and alleging that there were certain irregularities in respect of this matter. If such

representations have been received, would the minister say what it is proposed to do about them?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I will have to check with my department before giving an answer to this question.

SUPPLY

The house in committee of supply, Mr. Chown in the chair.

DEPARTMENT OF TRADE AND COMMERCE

General administration—

394. Departmental administration, including fees for membership in the international organizations listed in the details of the estimates (also includes the national industrial design council transferred from the national gallery), $3,275,445.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I should like to begin by informing the house about some of the most important aspects of the work of my department. It will be impossible to cover all the diverse and wide ranging responsibilities of this department. However, I would remind hon. members that the annual report of the department was tabled on April 14 last. In it they will find a comprehensive review of economic and trade developments affecting Canada as well as a great deal of detailed information on our departmental activities during the year 1960.

My remarks today will be divided into four broad categories. I shall begin with a review of our trade and economic situation and the outlook for the next few months. Next I will outline the department's work and achievements in the field of trade promotion. I shall then give some details on the subject of trade policy and, finally, I shall review some of our efforts on the domestic and commercial fronts.

During the past year, developments in the foreign trade field have provided strong underpinnings for activity in the Canadian economy, and a higher level of exports has added to production and employment in Canadian industries. Imports, meanwhile, have edged downward. The result has been a substantial improvement in Canada's trade balance. The deficit on merchandise trade declined from $369 million in 1959 to $97 million in 1960, the lowest figure since 1954. In 1960 our merchandise exports reached $5,395 million, 5 per cent above the level for the preceding year. This followed a similar increase between 1958 and 1959.

Most of the expansion in exports in 1960 consisted of higher sales in various mineral products including pulp and paper, lumber, aluminum, nickel, copper, petroleum, asbestos, iron and steel and chemicals. In addition, the various types of manufactured products have been sold in larger quantities. The progressive dismantling of import restrictions throughout the trading world has opened up new market opportunities for this type of export.

An outstanding feature of our export trade in 1960 was a substantial growth in sales to overseas markets. Between 1959 and 1960 our exports to the United Kingdom increased by 16 per cent; to the common market by 39 per cent; to Japan by 27 per cent, and to all overseas areas taken together by about one fifth. On the other hand, our sales to the United States declined by nearly 5 per cent. However, sales of all foreign goods in the United States market were down. Thus the relative position of Canadian imports in that market was pretty well maintained.

Imports into Canada in 1960 were slightly below the 1959 level and, in fact, were less than four years ago. Despite the difficult competitive position faced by some industries, total shipments from Canadian factories, in aggregate, have about kept pace with imports of manufactured goods. Domestic manufacturers, for the most part, have been able to maintain their relative position in the Canadian market, although there have been some exceptions.

Another notable feature of Canada's trade in 1960, and in fact for several years past, has been its growing geographic diversification. This has involved in particular a lessening concentration of trade with the United States and a growing relative importance of trade with countries such as the United Kingdom, West Germany and Japan. The steadily improving competitive position of overseas industrialized countries has enhanced their importance as sources of supply for the Canadian market. At the same time strong internal growth rates within these areas have involved sharply expanded markets for Canadian products. Reflecting these broad tendencies, the proportion of our exports going to the United States has declined from 62 per cent in 1959 to 56 per cent in 1960. This means that 44 per cent of our total exports now go to overseas markets. The geographic distribution of our imports remained almost unchanged between 1959 and 1960. However, during the last four years the United States share of the Canadian import market has declined from 73 per cent to 67 per cent, while the share enjoyed by overseas countries has risen correspondingly.

There is good reason to anticipate that the improvement realized in Canada's trade position in 1960 will carry forward in the current year. Export figures have been fluctuating sharply from one month to another, but for

the first two months of the current year our exports have held within 3 per cent of the record level achieved in the same months a year ago. Imports also are down moderately. In the January-February period the merchandise trade balance has shown little change from a year ago, with exports and imports near to an even balance.

Total exports have been maintained at a high level in recent months despite lower sales in the U.S. market. Economic activity in the United States has been declining, and in the first quarter of 1961 industrial production was at a level 8 per cent below the previous high point achieved in January 1960.

As usually happens, the adverse effects of this decline in factory output upon the demand for industrial materials has been accentuated by inventory liquidation. In consequence Canada's sales to the United States, as reflected in export trade figures for the last three months, have recently been running 17 per cent below the level of a year previous. In the over-all trade figures, however, lower sales to the United States have been largely offset by increased shipments overseas. Recent signs of hesitancy in the trend of activity in some overseas countries have not, up to this point, affected the upward movement in our shipments to overseas markets.

The Canadian economy, and in particular the level of trade, cannot be fully insulated from the effects of economic fluctuations in major foreign market areas. Nevertheless, forward-looking action can help to cushion the adverse effects of these fluctuations. I have already illustrated how the recent broadening out of our markets has helped to limit adverse reactions emanating from the current down trend in the United States.

The manner in which higher exports to overseas markets has helped to cushion the shock of recession in the United States further emphasizes the vital importance of diversification of Canada's trade, and the continued expansion of trade with overseas countries.

Hon. members will already have seen the dominion bureau of statistics trade figures for February and for the cumulative January/February period, which were released this morning. They reveal the fact that while our exports in the first two months of the year increased by 22 per cent to the United Kingdom, and by 37 per cent to other commonwealth countries, compared to the same period last year, a drop of 14.5 per cent in our shipments to the United States has caused a fall of nearly 3 per cent in our total exports to all countries. At the same time, while our imports from all other sources have increased, a reduction of just under 6 per cent in our imports from the United States has helped to maintain an almost even balance in our over-all trade balance.

It would be difficult indeed to find more conclusive evidence than this with which to vindicate the policy of multilateralism in trade which this government has consistently followed. While dealing with what might be termed our chronic deficit in trade with the United States, it is imperative that our exports be vigorously expanded and that we continue to seek out new overseas markets for Canadian products.

There are other bright spots in the current trade situation. The careful attention which we have given in recent years to market potentialities in mainland China has now paid off in large new orders for wheat and barley. Perseverance in the development of this market by the Canadian wheat board and by our foreign trade service has been an important contributing factor in bringing a major portion of this new business to Canada. The development of advanced types of aircraft by the Canadian industry is now showing up in substantially higher aircraft exports. Canada's new national oil policy, calling for more rapid growth in this highly productive industry, is injecting new initiative into the development of export markets. The orderly development of new outlets for natural gas provides the basis for a continuing growth in exports of this product. A substantial addition to Canada's iron ore producing capacity brings with it new export outlets for this commodity. The growth of our sales of these and other items will help to offset the temporary ill effects of economic adjustment in the United States and possibly in some other countries.

There is also a general expectancy that an upturn in United States economic activity is now beginning or is close at hand. In this event we can look forward to underlying improvement in the United States market as the year progresses. Just the same, we are not standing by waiting for markets to get better. The Department of Trade and Commerce is continuously seeking out ways to stimulate export trade, and major efforts to this end have recently been initiated.

On August 5, 1960, at page 7666 of *Hansard,* my colleague the former minister of trade and commerce, indicated certain changes in the organization and personnel of the department. At that time he forecast the appointment of two new assistant deputy ministers. As a result of interdepartmental examinations conducted by the civil service commission, assistant deputy ministers responsible for commodities services and domestic

commerce have been appointed. This reorganization has improved administrative efficiency and has enabled the department to move ahead boldly in two very important fields of endeavour.

One of our primary functions is to promote the sale of Canadian products in world markets. I think our record is one we can be proud of. Our export trade promotion conference, held in Ottawa from November 30 to December 16, was one of the most effective means ever employed to arouse the attention of Canadians and Canadian producers to the advantages and the value of our export trade. You will remember that when we brought back all the trade commissioners from abroad there were 110 of them here. Alert businessmen immediately recognized the advantages of meeting with these officers. In fact 1,365 Canadian businessmen, representing 1,133 Canadian firms, met for a total of 10,502 interviews with our trade commissioners.

It is still too early to give an accurate measurement of the results of those meetings. However, by the middle of March we had definite word from the trade commissioners that 344 new agencies or buying connections had already been established, and that there were good possibilities for upwards of 2,000 more. Trial orders, as a direct result of the meetings last December, have already been placed in 26 countries for Canadian goods valued at more than $1 million. As we do not know the value of many other orders, the actual total may well approach $2 million. The goods concerned include the products of agriculture such as, seed potatoes and baby chicks as well as flour and frozen foods. They include a wide range of manufactured products such as wood pulp and whisky, kitchenware and cutlery blanks, lamps and leather wallets. There were substantial orders for acetate, chemicals, electrical equipment, fibre glass cloth and leather.

The spirit of this export trade promotion conference continues with the hearty cooperation of provincial authorities and business associations. My senior officers and I participated in a regional trade promotion conference in Winnipeg on February 6, when more than 600 businessmen turned out for the discussions. On May 16 we have a similar trade conference coming up in Calgary. On May 18 there will be another one in Vancouver and on May 25 still another in London, Ontario. The provincial authorities and the businessmen who are organizing these meetings are most enthusiastic about the prospects. The departmental team from Ottawa is also finding these personal contacts with governments, business and industry across the country a rewarding experience.

[Mr. Hees.]

The trade commissioner service is the overseas arm of our department. During 1960 there were more than 120 trained officers in this sales force, stationed at 63 posts in 47 different countries. Quite apart from the special efforts connected with the export trade promotion conference, our trade commissioners were instrumental last year in establishing 847 agency or buying connections for Canadian export products. They also received and dealt with more than 9,000 inquiries from Canadian exporters about market opportunities and conditions abroad.

We are continuing to build this foreign sales force by means of an aggressive recruiting program. This year we have selected 15 promising young men who will shortly begin their training in the department. As the problems connected with international trade grow in number and complexity, greater demands are constantly made upon our resources of trained officers for special assignments and negotiation work. A large group of trade commissioners is now in Ottawa receiving training and experience in these fields.

One of our most important forms of export promotion is participation in trade fairs abroad, where Canadian goods are placed directly before the prospective agent and customer. Selection of fairs in department's program is made on the basis of active market possibilities. We show Canadian goods wherever there are good prospects that Canadian products can be sold. Results have been very encouraging. Since April 1, 1960 we have exhibited in 13 fairs outside Canada and by April 1, 1962 we will have participated in 17 more. Many of these are of a very specialized nature, because it is in the specialized fair that we find our best prospects.

We do not ignore the large, general shows, however. One such exhibition is the ideal homes show held in London in March each year. In 1960 the Canadian stand comprised 51 booths. This year it had expanded to 86 booths. No less than 36 of those who participated in 1960 returned for this year's show. We shall continue to extend our participation in the important trade fairs of the world.

Trade missions are another proven medium for promoting trade. We have given them a specialized application by planning missions for very specific purposes and organizing them intensively to those ends. Here again results have been encouraging. The two missions which we sent to the United Kingdom last fall—one on timber and the other on processed food—are still bringing results, not only in the form of new business but in the continued interest of the members

of the missions who are working together to achieve improved methods and procedures. Our high level mission to the common market countries successfully achieved its immediate purpose of maintaining our exports of specific commodities. It has also had a continuing benefit, in that the leaders of industry who comprised the mission have met on several occasions since their return to discuss their impressions. The missions of consulting engineers and construction engineers which we sent to South America also give definite promise of new business abroad.

There are many risks attached to export operations which are not normally encountered in the domestic market and against which Canadian firms cannot obtain coverage through private sources. Here again the department, through the services of the Export Credits Insurance Corporation, provides valuable assistance to Canadian industries by insuring them against non-payment by foreign buyers. Business done in 1960 was up 34 per cent over 1959. May I remind hon. members, Mr. Chairman, that the annual report of the corporation was tabled in the house last month.

Last November I announced in this house that the banks and the government were cooperating closely to provide financing for export sales of capital goods on credit terms. Just last week the banks announced the establishment of the Export Finance Corporation of Canada, Ltd., which has been set up to provide a new and separate source of funds for exporters selling capital goods to foreign buyers on medium term credit. Where long term credit extending beyond five years is required, the government is prepared to provide financing under section 21A of the Export Credits Insurance Act. I made a statement in this connection in the house just two weeks ago outlining the very satisfactory developments and substantial figures involved.

Such aggressive measures to promote Canada's trade at home and abroad must be supported by closer liaison with industry in Canada. This is the lesson of recent experience. Twenty per cent of the firms which took part in the export trade promotion conference had no previous contacts with the department. Expansion of industry all across Canada in recent years and a new drive for industrial development in all provinces have stimulated a growing interest in the possibilities of export trade. Greater concentration of attention on aids to small business and domestic commerce is translated into new interest at the local business level in the services which are available from the department.

Thus the need to establish regional offices of the department to provide these services more readily, and with greater continuity, is clearly apparent. As a consequence it has been decided to open regional offices in Halifax and Winnipeg in the near future. As soon as possible thereafter two more regional offices will be opened in Montreal and Toronto. At the same time our two existing offices in Vancouver and St. John's, Newfoundland, will be strengthened, to place them on a similar footing. In this way we hope to greatly increase the effectiveness of our assistance to industry and business across Canada and to provide closer liaison with provincial governments in the field of industrial development.

Let me now dwell on the department's activities and responsibilities in respect of Canada's international trade relations. In the light of the debate earlier this week on the government's trade policy, and the very complete review of our commercial relations contained in the department's annual report at pages 19 to 29, I do not intend to make a comprehensive review of this subject at this time. Members have been kept continuously informed in the course of the current session either by myself or by my colleagues.

Let me say briefly that our trade policy objective, to which we have constantly directed our endeavours, is to foster the development amongst trading nations of policies conducive to stability, growth and the expansion of mutually beneficial trade. In order for the very intensive export effort of my department and the business community to bring results, it is first necessary to have access to markets throughout the world on equal terms with our competitors.

This objective, in the main, has been realized. The handicaps under which dollar country exports laboured in the transitional period of post-war recovery have been largely removed since 1959, and together with the renewed economic strength of the major importing nations, exports have made very substantial gains.

The new stimulus which has been given to Canadian export sales as a result of the trade promotion conference places a further responsibility on the government. This department, in seeing that the conditions under which our goods move into international trade continue to improve, is therefore further intensifying its efforts to have import restrictions removed by those countries which no longer have balance of payments difficulties. I am confident that we can expect to see substantial improvements in this regard. I also look to some progress in this direction by less developed countries.

As the tide of trade restrictions recedes, the restrictive effect of agricultural protectionism abroad emerges as a problem of

major concern to Canada. Barriers to imports of agricultural products by other countries are a serious impairment to our trade, and we must press forward in restoring the balance of advantage between the agricultural exporting countries and their trading partners. We are convinced that there is room here for considerable reduction in tariff and non-tariff barriers to trade.

Meanwhile Canada is participating in the work of the GATT committee which is examining ways and means of expanding world agricultural trade. We are likewise active members of the international wheat agreement, as well as of the wheat utilization committee, for the expansion of world wheat consumption and trade. Similarly we take part in regular consultations with the United States authorities for the safeguarding of commercial markets for wheat. These interests continue to be fully taken into account in the formulation of our broad commercial policy.

The enthusiastic response of Canadian exporters for the development of trade has also meant that the government's constant efforts to safeguard and improve our access to all world markets take on greatly increased importance. These efforts consist of ensuring, first, that equitable treatment is accorded Canadian exports to those markets; second, that our competitive position in such markets is not impaired by the application of measures prejudicial to our exports; and finally, that commercial markets for our goods are not disrupted by our competitors, whether in the form of subsidies, surplus disposal programs or other means.

The government, through my department, plays an important role in keeping exporters informed of conditions in each market and the best means of exploiting them to advantage, in exploring new areas where trade may be developed, and by ensuring that our trade agreement relationships with all areas are soundly based. The negotiation of the new trade agreements with both Australia and the U.S.S.R. last year exemplifies our activities in the latter field. We are constantly reviewing possibilities for similar fruitful negotiations with other countries where commercial opportunities exist.

In our endeavours to seek out new opportunities for our exports and to defend our commercial interest, this department is fully conscious of the need to have a forward looking and flexible trade policy. We must look ahead and anticipate developments and changing conditions. With our dependence on exports we must keep all doors open and ensure that the most favourable conditions for multilateral trade are maintained. We must be constructive and ever mindful that we are on a course in our international trade relations which will contribute most effectively to our future economic growth.

I have spoken previously on the subject of regional developments in Europe, Mr. Chairman, but there are two points which I should like to make again at this time. The first is with regard to the common market and the E.F.T.A. group. Both have a collective obligation to ensure no less favourable access to their areas than previously existed. We will expect both groups to live up to this responsibility. The present negotiations with the common market on the level of the common tariff are approaching the final stages, and I am hopeful of a settlement which will be satisfactory from the Canadian point of view.

The emergence of both these communities will mean that we may have to make some adjustments in the pattern of our trade with Europe. On the other hand, in the expectation that our access will generally be not less favourable than before, and provided that, collectively, their trade policies will be outward looking, we need not be pessimistic about the growth of trade opportunities for Canada. Certainly our export results in Europe have been favourable to date.

The second point I wish to make is that we are about to enter the main round of tariff negotiations at the conference in Geneva, which will provide Canada with an opportunity to obtain better tariff access to markets throughout the world, including both the United States and the common market. This is another important step in the direction which this government intends to maintain for the betterment of our exports.

Finally, we have the possibility that the United Kingdom will become more closely associated with the common market. We have no clear indication as yet as to what may come out of the British initiative. However, we have indicated to the United Kingdom authorities the importance we attach to duty free and unrestricted entry to the British market for industrial materials and agricultural products, as well as to the preferences we enjoy, particularly in certain manufactured products. I can assure the house that this matter is being followed closely, and that we will see to it that no opportunity is lost to safeguard our commercial interests in whatever arrangement may eventually emerge.

It is essential to the objectives of the department that we seek continually to extend our knowledge of supply conditions in Canada, to widen our industrial contacts and to search for products and services which can be exported. These are the primary functions of our commodity branch which, by active liaison with industry, develops a continuing

exchange of commercial intelligence between posts abroad and industry in Canada. Active trade promotion programs carried on by this arm of the department have achieved success in many different directions.

We have placed sustained emphasis on the promotion of Canadian consulting engineering and construction services in foreign markets. Opportunities in markets abroad have been widened considerably for groups of Canadian consulting engineers through direct contacts arranged by the department with the international bank in Washington and the United Nations special fund in New York. This approach has resulted in an increase in exports of Canadian equipment, machinery and services. Noteworthy among these items has been equipment incorporating highly advanced design, such as telecommunications equipment, cargo aircraft, air navigation equipment and various types of automation equipment.

Let me just mention several notable successes. Specialty printing papers have been introduced into Australia, South Africa and Mexico, and fir plywood into western Germany. Gratifying results have also been obtained in stimulating increased timber sales in the United Kingdom. Substantial gains have taken place in exports of chemicals, metals and minerals. Encouraging results have recently been experienced in the promotion of manufactured consumer goods, particularly to the United Kingdom, in the wake of relaxed import controls.

Success continues to attend efforts of Canadian industry to re-establish itself in the United Kingdom market following the removal of import restrictions in 1959. Due to quality and design of the goods offered, excellent results have been achieved in the sale of synthetic and cotton fabrics, high-styled clothing for men and women, slippers, moccasins and jewelry. A concentrated effort is being launched by the Canadian food processing industry following the Canadian food trade mission to the United Kingdom last autumn. Very substantial sales of livestock and poultry products have been realized by our trade missions, and following visits to Canada by foreign trade delegations. The Latin American countries are showing a renewed interest in Canada as a source of supply.

Mr. Chairman, I should like to turn now to the domestic market. For a number of years after the war Canadian producers faced a minimum of competition in our home markets. In fact Canadian goods, both primary and manufactured, were shipped to markets all over the world. In more recent years, however, Canadian producers have faced increasing competition both at home and abroad. The reason is that countries which until recently were markets for our products have completely recovered from the devastation of war and are now producing goods of excellent quality and design which sell at competitive prices.

This increase in competition has not always meant that we have lost markets, but it does mean that Canadian industry, in order to retain its markets, must also turn out goods of high quality and design at competitive prices.

To accomplish this task there must be co-operation among labour, management and government. All our energies must be directed to improving our competitive position. We must not dissipate our strength in internal disputes and strife.

To a very large extent the recovery of industry in Europe and Japan is directly attributable to the close co-operation of labour and management in those countries. This co-operation has been so effective that industry in these countries is now producing some of the best goods in the world, at prices which are extremely competitive.

The government has taken the lead in assiting Canadian industry to adjust to these changing conditions. Under the auspices of the departments of trade and commerce and labour, leaders of Canadian industry and commerce and top union officials were called to Ottawa recently to discuss ways of achieving greater co-operation in Canadian industry as an effective means of increasing Canadian output and improving our competitive position.

The Acting Chairman (Mr. Chown): Order. I am sorry to interrupt the minister, but his time has expired.

Some hon. Members: Go ahead.

The Acting Chairman (Mr. Chown): Does the house give unanimous consent to the minister continuing?

Some hon. Members: Agreed.

Mr. Hees: I appreciate that, Mr. Chairman. It will not take very long.

Mr. Hellyer: If the minister injects his usual enthusiasm into his statement.

Mr. Hees: There was general agreement at that meeting that Canadian labour, management and government could work together to achieve the same results. Labour, management, government, and the general public are also combining their efforts through the national productivity council. The council has been meeting regularly and is developing an active program to assist Canadian industry in a variety of fields which will improve its ability to sell its goods in both home and

overseas markets. The chief objective of the council is to lend every assistance to Canadian industry in increasing its productive efficiency. The council is now enlisting the support of regional and provincial groups in order to carry this work to all parts of Canada.

At the same time we have established new services in the department and have expanded a number of our existing facilities in order to assist Canadian industry in meeting the new challenges which it faces. Over the last year we have built up a strong domestic commerce service whose function it is to provide assistance to industry over a wide range of the production and distribution aspects of business. We are now in a position to give information and help on such important subjects as product design, financing, new product possibilities, industrial development, distribution, sources of material, industrial standards, production under licensing arrangements and managerial and technical training and education. This is not by any means an exhaustive list. It is, however, indicative of the comprehensive services which we are developing to help Canadian business and industry.

Rapidly changing economic conditions have often posed difficulties for small businessmen. The government has recognized these difficulties and has taken steps to assist businessmen in overcoming them. A small business branch was established in the department to provide a focal point where the small business man could come to discuss his problems and obtain assistance and advice.

As I have often stressed, Mr. Chairman, we place very great importance on good design as one means of making Canadian goods as competitive as possible. With this in mind a national design branch has recently been established in the department. The function of this branch is to encourage the improvement of design in Canada, and to foster an awareness of the importance of good Canadian design. We have also introduced legislation providing for the establishment of a national design council.

The department has been increasingly active during the past year in the field of industrial development. The industrial development branch has increased its activities in new plant establishment, production expansion, product diversification, licensing arrangements, and other aspects of industrial development. It has also given valuable assistance to Canadian manufacturers in uncovering new markets for their products in Canada. Industrial development is further stimulated through special capital cost allowances administered by the department. In all these endeavours the department is working very closely with the provincial department of trade and industry.

Another arm of the department is the dominion bureau of statistics. I need hardly remind hon. members that the bureau is acknowledged the world over as one of the foremost organizations in its field. During the past year it has kept pace with many complicated and highly technical developments. Its functions in providing statistical information and analyses have been widened and improved in response to demand. Its services to governments, industry and business in our country have been of incalculable value.

The most formidable task which faces the bureau this year is, of course, the 1961 census, which will be taken on June 1 next. This will be the tenth decennial census of Canada since confederation. The results of the census will provide a valuable national inventory of information on the composition of our population, the types of homes in which we live, the area and type of agricultural operations, and the size and nature of trade and service establishments operating in Canada. With the advantage of this up-to-date information about ourselves and our country we shall be better able to gauge our capabilities in meeting the challenges on the economic front which lie ahead.

In conclusion may I say this. It has been a very full year for the Department of Trade and Commerce, a year of growth, of change and of achievement. We have made a contribution in the development of many new and important forces designed to strengthen our economy, expand production and increase employment in Canada. We have carried out organizational and administrative changes within the department which will ensure that we shall continue to provide the most efficient possible service to Canadian business and industry.

We find ourselves in the midst of a highly competitive and rapidly changing world economy. We face new and serious problems which must and will be overcome. At the same time we have great natural wealth, many natural advantages and, most important of all, the energy and the determination for great accomplishment. Our economic situation at home and our trading relations abroad are under continuous and expert vigilance.

To those Canadian firms and salesmen who have demonstrated their competitive ability in foreign markets and who have co-operated so fully with us, I extend my thanks and my congratulations. I urge them to keep up the good work and to exert their influence on their less progressive fellows. To the men and

women of the department, I offer my appreciation for their devotion and for a job well done. To all Canadians who require help or guidance in the commercial field, I hold out an invitation. The Department of Trade and Commerce is at your service.

Mr. Carter: I am sure we have all listened with a great deal of interest to the minister's presentation of the estimates of his department before this committee. The hon. gentleman spoke rapidly—almost too fast for me to take the notes I would like to have taken —but if I heard him correctly it appears to me that the statement he has just made invites some criticism because of its very serious omissions.

Before proceeding to criticize the minister's statement, however, I should like to extend my congratulations to him on his promotion to the very important department over which he now presides, and to wish him well in his new field of endeavour. The fact that foreign trade accounts for no less than 25 per cent of the jobs available to Canadians emphasizes the importance of the minister's department and places it, in my opinion, in the same category as the departments of finance and defence. I also would like to pay tribute to the minister's staff, from the deputy minister down, and in particular to the hon. gentleman's executive assistant, whose tireless efforts and devotion to duty must be a great source of inspiration to the minister.

The minister is a very optimistic person. He exudes optimism everywhere he goes. He looks on the bright side, and I think he sometimes gets carried away by this optimism to the extent that his perspective becomes a little distorted and he conveys the impression that there is no side to the picture other than the side which he himself is engaged in portraying. It is the function of the opposition to bring this picture back into proper focus. We must not allow ourselves to be blinded by the brightness of the picture which the minister has painted today.

The hon. gentleman has told us of higher exports, lower imports, lower trade deficits. That all sounds very well, but when we come to look at Canada's trade performance on a world scale we find that the picture is not nearly so encouraging. I have some figures which have been taken from the international financial statistics, dated April, 1961, which give values in millions of United States dollars, and the extract I have here is from pages 36 and 37. I should like permission to have this table printed in *Hansard*, but I should also like to read one or two figures from it. I think it would be better for individuals studying this debate to have the table printed as I have it here.

The Acting Chairman (Mr. Chown): Will the hon. member advise the Chair as to where the table originated?

Mr. Carter: I thought I had made that clear. The figures are taken from the international financial statistics of world trade.

The Acting Chairman (Mr. Chown): Has the hon. member permission of the committee to have this table printed in *Hansard*?

Mr. Hees: Agreed.

[*Editor's Note: The table referred to above is as follows:*]

CANADIAN AND WORLD EXPORTS
(Millions U.S. Dollars)

	1958	1959	per cent incr.	Jan.-Sept. 1960	per cent incr.
World exports	96,080	101,780	5.9 per cent	111,300*	9.3 per cent
Canadian exports	5,386	5,652	4.9 per cent	5,767	2.3 per cent

*Seasonally adjusted at annual rates.
Source: International financial statistics, April 1961, World Trade: Value in millions of U.S. Dollars, pages 36-37.

Mr. Carter: This table shows that in 1958 world exports amounted to $96,080 million. In 1959 they went up to $101,780 million, an increase of 5.9 per cent. During that same period Canada's exports went up by 4.9 per cent, so that we did not maintain our position; we fell behind the rate of growth in world exports during that period. If we take the period January to September, 1960, and I have figures for only that period, we find that world exports went up to $111,300 million U.S. dollars, an increase of 9.3 per cent, while Canada's exports went up only 2.3 per cent. Therefore we are not holding our own in the world's markets because our increase in world trade want down from 4.9 per cent in 1959 to 2.3 per cent in the period up to September, 1960. When we compare the increase of 2.3 per cent in Canadian exports with the 9.3 per cent increase in world exports, we see that Canada is failing to keep pace with the increase in world trade.

The minister referred to the higher exports to our overseas markets, and it seems to me he was making a virtue of necessity because he failed to mention that the economies of

overseas markets are experiencing an unprecedented boom which puts them in a position to buy more goods and thus increase their imports. On the other hand, Canada has been experiencing a kind of recession, and this puts us in an unfavourable position as far as imports are concerned. I do not think it is far fetched to allege that these two factors are in some way related to what appeared to be an overly bright picture of Canada's performance in the world export market and the improvement so far as Canadian imports are concerned.

Therefore my first criticism of the minister's statement is that it did not give us the complete picture. I think at a time like this we must be honest with ourselves and with the Canadian people and not try to create an impression of optimism and well-being that may not be completely justified by the facts.

My second criticism of the minister's statement is that he said nothing at all about the deficit in what we call invisible exports, and that is the major part of our overseas trade deficit problem. I would be one of the first to admit that items such as interest, dividends and insurance possibly come within the realm of fiscal policy, but they also affect the minister's department and he must work out his policies in conjunction with those of his colleagues and try to do something about this problem of the invisible exports.

There is one matter about which I think a great deal could be done, and that is the imbalance on our tourist trade. I do not have the exact figures, but I think last year that imbalance amounted to about a quarter of a billion dollars. Although it does involve the Minister of Northern Affairs and National Resources, yet here again is a matter for collaboration among the minister and his colleagues to try to work out some solution to this problem. A more vigorous sales promotion of the goods we produce has, according to the minister, produced favourable results, and surely it is not outside our capacity or ingenuity to devise some method of promoting and increasing our tourist trade.

The third criticism I have to offer is that the statement of policy given by the minister today did not indicate any appreciation of the kind of world we are living in and the forces which are influencing our relationships, and particularly our trade relationships, with other countries and are going to influence them a great deal more in the future. I think the minister caught the imagination of the Canadian people with his conference of trade commissioners, and also with his follow-up provincial conference for trade promotion. The minister brought his commissioners here, as well as businessmen. They pooled their ideas and explored prospects. They got a pep talk from the minister, I am told, and were sent back to work harder and harder to promote sales. No one will deny that this in itself is good, but I think the question we must ask ourselves is whether it is sufficient.

It seems to me that the Minister of Trade and Commerce is somewhat in the position of a general. He has his intelligence service; he has his commissioners who are his reconnaissance troops; he has his captains of industry, and he has his little army of merchandisers. A good general not only has a good plan of action but also briefs his troops. As members of the house representing the people I think today the minister should have briefed us and the Canadian people generally more fully on the facts of life in the field of world trade.

What is Canada's position in a rapidly changing world? What are the forces influencing our trade efforts? What should be our plan of action taking all these factors into consideration? I think the first step that should be taken is self-examination. We profess to believe in a system of free enterprise and, in fact, we are not a state trading nation. Most of our deals with other countries are carried out between individuals. We have developed a system which has operated on the belief that out of the competitive efforts of individuals all striving to get the best for themselves will come the greatest efficiency; that the weak will go to the wall and the strongest and most efficient will survive, resulting in the greatest good for the greatest number.

There is no doubt that the free enterprise system we have built up has developed some great advantages. It has developed some good qualities in the individuals who are engaged in business; qualities of alertness, imagination, courage, endurance, initiative and responsibility, skill, flexibility and determination, and that is all to the good. It has also produced great material benefits in the form of inventions, manufacturing processes, jobs in the development of resources and the harnessing of power.

But we must not permit these advantages to blind us to any weaknesses that may be inherent in our system, and it cannot be denied that weaknesses do exist; because against the benefits I have mentioned we must set a list of less happy results. We know that good, sound businesses have sometimes been destroyed and that workers have been exploited. We have had walk-outs, strikes and the bitterness that results from them. We have sometimes had bad goods and sometimes when shortages were in sight we have had unwarranted stockpiling regardless of the needs of other people, with the result that production has slowed down elsewhere for lack of the materials lying unused in frozen stockpiles.

We hear sometimes of price conspiracies and conspiracies to restrict competition. We have had some examples of that in the electrical industries south of the border. There was also a report in the papers last night of something similar in the drug industry. In addition, sometimes the opposite occurs; surplus goods are flooded on the market regardless of the damage that may be done at home or abroad.

These weaknesses must be corrected if we are going to withstand the forces that we shall have to contend with in the future. I think they have developed mainly because we have had no goal outside of our own self-interest. We have been engaged in developing what has been called the affluent society, and once we have created this affluent society we somehow bend our efforts mainly toward preserving it and increasing the affluence. In other words we become security minded, and we tend to lose the driving forces, the skill, determination and initiative that created this society in the first place.

I think the irony of this situation is that once a certain stage has been reached, free enterprise people themselves clamour for government interference which in the end must destroy some of their liberties. Every time the government passes a law some individual liberty or freedom is interfered with.

For a general to encourage his troops to go out and work harder doing the same things may not help to solve our problem. I think the minister is to be commended for the emphasis he has placed on taking responsibilities. If I have read the reports of his activities correctly, I take it that he has encouraged individual businessmen to assume more responsibility for the nation and for the welfare of our economy. But I think we must go beyond that, because what we do will be determined by the goals we have in mind. We need new goals now, new motives and a new direction, because the affluent society as an end in itself does not satisfy human aspirations and the longing in human hearts. The individual businessman must have a broader and more far-reaching aim than simply running a smoothly operating enterprise purely for the purpose of making a profit or getting ahead of his competitors. If he continues to be dominated by these motives he will in the end be destroyed. We must have new, specific and overriding purposes which will govern our policies and our practices.

Yesterday our leader set forth some of these goals. The Liberal party has always stood for the freest trade possible consistent with our national security. This, he pointed out, is to be achieved not overnight but under a long, well planned program, step by step. He suggested, as a first step, that we try to work toward an Atlantic trading community.

That point was very well developed yesterday and other speakers will be developing it still further today, so I shall pass on to another point which I think should have been included in the minister's statement. The minister gave no indication today that our national security and survival depend practically as much on his department as on the Department of National Defence. We cannot separate our security from our trading activities. I feel it would have been wise if today the minister had given a much fuller outline of the forces that are at work in this part of the field of world trade.

He mentioned the emergence of trading blocs, the inner six and the outer seven, and this situation, too, will be further developed by other speakers from our party. However, he did not mention the fact that trading and industry today are a battleground in the struggle for world domination. If we are going to develop a plan we must take that into consideration. The minister did not make any reference to it at all.

We have had some very stirring examples of what is happening in this economic battleground. Russia has developed a well thought out and well integrated program which contains four points. The first point is an intensive industrial expansion inside the Soviet bloc itself. A measure of that expansion can be seen when we realize that in 1927 Russia produced only 3 per cent of world production, whereas in 1955 she produced 20 per cent and doubtless today it is much higher than that.

The second point in that program is industrial sabotage in the industrialized countries of the west. We have seen some examples of that. The third point is a selective disruption of normal trading relations of the free world. We have had examples of that, the tendency of the Soviet union to weld its satellites into an economic bloc with an economy complementary to its own.

Perhaps I might just mention one example. In 1957 there was a world surplus of tin. Russia is a great importer of tin and buys a great deal of it from red China. When we have a situation in which there is a surplus of a product, as there was with tin, we would normally expect a country to buy that product. What did Russia do? Instead of buying and stockpiling tin at that time, Russia sold between 10,000 and 11,000 tons of tin at a price lower than the world market. By so doing Russia disrupted the economies of Bolivia, Malaya and Nigeria,

as well as other countries. This is the sort of thing we must expect on a much more intensive scale in the future.

Therefore, Mr. Chairman, if we are going to successfully meet that kind of challenge we must develop a well co-ordinated plan. I think the first part of that plan should be concentration on building up trade with countries whose economies are complementary to our own. We have certain economies very close to us. We have the West Indies Federation, and it was a great disappointment to me that the minister did not even mention that country during his presentation today.

I wonder, Mr. Chairman, if I might call it one o'clock.

The Acting Chairman (Mr. Chown): I must advise the hon. member that his time has expired in any event. If the committee wishes to give leave to the hon. member to continue after we resume on the ground that he is the chief or leading critic of the opposition, that can be done now. Would the committee give its consent to permitting the hon. member to continue?

Some hon. Members: Agreed.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Carter: Mr. Chairman, this morning the minister outlined certain actions which his department had taken to improve our world trade position. In reply I pointed out the fact that trade and industry are now a battleground in the struggle for world domination and that further action was essential based on that consideration. In order to be successful such action must have a global purpose, a global strategy and involve total commitment.

As a first step I suggested that, without diminishing our efforts elsewhere, we should place special emphasis on developing economic ties with those countries whose economies were complementary to our own. I then cited the British West Indies Federation as an example and expressed disappointment that in his presentation the minister had made no mention of trade possibilities with these countries.

The British West Indies Federation and the Caribbean area have been a market for salt cod for over 200 years and for that reason are of special interest to the Atlantic provinces, and in particular to my own province of Newfoundland. I am informed that this market has seriously deteriorated during recent months owing for the most part to the inability of Cuba to purchase our salted fish products. In this connection I call to the minister's attention the fact that one of the most glaring omissions in his presentation this morning was his failure to give the committee a progress report on our trade relations with Cuba. While I am on the subject of omissions, may I also mention his failure to make any reference to uranium contracts. I do not intend to take the time of the committee to dwell on these subjects because they will be dealt with by my colleagues.

To come back to the subject of fish markets in the British West Indies and in the Caribbean area, I remind the minister that fish exporters now claim that the abolition of NAFEL has handicapped their marketing efforts. I have never held any particular brief for NAFEL. It had many features which did not appeal to me personally. Nevertheless it had a purpose to fulfil. If it had not had a purpose to fulfil, it would never have been created. It now seems that the mistake has been not so much the abolition of NAFEL as the failure to put any other organization in its place.

Before I leave the subject of the British West Indies may I remind the minister also that the selling of the Canadian National (West Indies) Steamships fleet now also seems to have been a mistake. These ships were not costing Canada very much. The continuance of the link they provided between the British West Indies and Canada, at a time when these countries are coming together in a political federation and are trying to integrate their economies, would have well repaid the small deficits the country incurred on their behalf.

As a second step in this plan of action I suggest that some means should be developed in order to protect Canada from economic aggression and penetration. Also, on the world scale, there is a need for a body to be organized as a sort of counterpart of NATO in the economic field in order to help countries resist economic penetration and to offset any efforts that might be made to disrupt their economies such as those I mentioned this morning with reference to the Soviet purchase and disposal of tin when there was a world surplus.

Lest my C.C.F. friends misunderstand what I am proposing I should like to make it clear that I am not advocating state planning. What I am suggesting is voluntary planning by free people within the country and under government leadership and direction and, among the nations of the world, voluntary association on the part of free nations which have come together to plan with a common goal and a common purpose.

This will no doubt involve some painful decisions on the part of different industries, different sectors of the economies of the countries involved and on the part of individual countries in their relations with one another. However, on our capacity to rise above self-interest and accept this challenge may depend our survival as free men and free nations.

Mr. Winch: Mr. Chairman, to this House of Commons and to the people in general all departments of government are important, but I do not think I will be challenged when I say that in my estimation one of the most important departments of government is that the estimates of which are now before us, the Department of Trade and Commerce.

Canada is rather unique in the world. She is a country which is, I believe, almost 4,000 miles in breadth, extends from the joint U.S.-Canadian border up to the Arctic circle, is one of the wealthiest countries in the world in natural resources, is one third larger in territory than the United States, has a population of 18 million, and whose maintaining the second highest standard of living in the world is dependent upon the fact that we are an export nation.

That is why I say that the estimates we have before us now are from a department of the utmost importance. We listened this morning to a quite comprehensive statement by the minister. He undoubtedly gave us some interesting information and statistics. I must say that in my opinion a general analysis of the statement given by the minister is that it was tempered in a manner which gave a rosy hue to the export-import picture as far as our country is concerned. Because of that I must admit I was a little disappointed in the approach of the minister.

Over the years I have often heard it said that the difference between a statesman and a politician is that a statesman has read a book. I do not agree with that interpretation. I think the right definition is that a statesman says what has to be said, whereas a politician says that which he thinks will meet with the approval of his party and the people.

There are times when a tough decision has to be made. I am afraid the minister did not make that decision in his remarks this morning. He presented rather, a picture of the past and statistics, instead of what is now required from a statesman, an analysis of our present situation.

We should have been given an analysis of the possibilities, potentialities, problems and dangers of the future and how Canada, as an export nation, is going to face up to those problems, potentialities and, I am going to say, dangers.

I admit that the minister did mention some of these things, but I think the emphasis was on the wrong place. Naturally we are all very happy to receive any and all reports from the minister as to any progress that has been made, or any change that has been made to bring our trade into balance as between exports and imports.

However, I do feel it is imperative that we have on the part of the minister and the government, of which the hon. gentleman is a distinguished member, a recognition of the difficulties which we face. The statistics, as rosy as he can make them, do not take care of the 700,000 or 800,000 unemployed persons in Canada. Because of the situation in our Canadian economy, with that number of unemployed, statistics are not enough. We need an enunciation of policies that will put every Canadian to work. Canada is an export nation, and we need at least an outline as to the real and serious danger that we face today, or we will face tomorrow, because of the growing number of economic trading blocs, the inner six and the outer seven, and because of what must now be recognized in the economic cold war, which is not only being threatened by the Soviet bloc but of which we have already seen many instances in these past 18 months.

Therefore with that grave and serious responsibility, the Minister of Trade and Commerce has to face not only the situation in Canada, with its present high unemployment, but the economic cold war, the establishment of trading blocs, and the increased efficiency and automation which is going on in other countries of the world with whom we have to compete. If Canada does not compete, our economy will come very close to collapse.

Interesting as the minister's remarks were, it was that kind of emphasis, that kind of truthfulness to the Canadian people that I hoped he would express when he opened vote No. 1 this morning.

We are facing difficult problems; there is no question about that. Nobody in Canada wants to see a reduction in our standard of living. Everybody wants to see full employment. I am afraid that very often we members of the House of Commons—I include all hon. members—are not honest enough with the Canadian people in giving them the true picture that we, as an export nation, face in world affairs today.

I feel this is a responsibility that many of us do not accept to the degree and depth that we should, because unfortunately too many of us are more interested in saying things which we consider necessary.

With the establishment of the trading blocs, and perhaps more to come, the recovery of the nations of the world from the impact

and holocaust of the last world war, the efficiency and automation that is going on at a more rapid pace outside Canada than it is here, there has to be a recognition that we can only maintain our status and standards by an understanding among government, management and labour. We must produce goods of quality and in a quantity to supply our consumption needs. If we fail to meet competition from abroad because of poor production efficiency and lack of co-operation by all sectors of our industry the consequences will be serious to all concerned.

As I have already said, I think that in view of the world situation in trade and commerce an increased investment in the services of the trade commissioners of the department is imperative. I heard with great regret only the other day some of the most experienced and efficient trade commissioners in the department have either left or are leaving the service at the very time when we are in greatest need of their knowledge, experience and brains. Because of their experience and their contacts they are being bought up by free enterprise in Canada, the offers made being so fantastic that despite the loyalty of these men and their love of the service they cannot reject them. I am very sorry to hear this, because if ever there was a time when we need the services of these men it is right now and in the days and years that lie ahead.

I sincerely hope the Minister of Finance is not being penny wise and pound foolish; I hope a policy of that kind has not been responsible for what occurred. Private industry may need these trained men but Canada needs them even more in these days of competition. I know the government cannot match some of the offers which have been made by free enterprise, but something more could surely be done. In the last two years it has been my privilege to meet a good many of these trade commissioners in their posts throughout the world. I think I know of their love of the service and their loyalty to it, and I have no hesitation in saying that money spent to hold these men in the service of Canada is money well spent and its provision would be supported, I am sure, by the Canadian people if the picture were made clear to them.

A few years ago when I was in provincial politics and came within one elected member of being a premier, somebody said to me "You are an electrician. What are you going to do?" I said "Hire the brains and pay for them." I think that is a good practice in government as well as in free enterprise. As I say, we have serious problems before us. We shall require clear headed and sensible thinking if we are to face up to what is developing throughout the world in the export field. The government, as well as all hon. members of this committee, will realize the complexities of this problem. They will realize that as individuals, or as groups of individuals in industry, we cannot put selfish interest before the good of Canada as a whole. This is definitely one of the problems involved in government policy inasmuch as we want protectionism at home sometimes in relation to certain industries while failing to recognize that since our economy is mainly based on export we cannot export unless we import. If we are going to be paid for export in Canadian dollars we have to import, too, whether we like it or not, rough as that may be. I have no hesitation in saying that we are not explaining this sufficiently to the Canadian people so that they may realize that individual or partisan interests must depend upon policies designed for the benefit of Canada as a whole. I have said this outside the house and I have no hesitation in saying it here.

I have until this moment been speaking in generalities, but, I hope it will be recognized sincerely and on broad principles. Much more has got to be done in the future, even if it is admitted that everything possible has been done in the past by the minister and by the Department of Trade and Commerce. We must intensify our work and effort. We must not only draw attention to those things which are rosy; we must also point out the difficulties and shortcomings which are of a serious nature and try to figure out how to correct the situation. Perhaps we have failed in the past. Let us, then, do something different in the future.

I understand that over the last four months the minister has received a somewhat voluminous correspondence from British Columbia, from a firm which has been and which still is, I think, one of the major exporters of timber from my province. I, also, have received correspondence. It disturbed me and intrigued me so much that when I was last in Vancouver I made an appointment to see the president and the executive officers of this company, and asked them to produce the material in front of me. I regret I have not had the opportunity of checking completely the information given me, but the minister can challenge it if he has found it to be incorrect.

Accepting the statistics which have been provided me, it would appear that until about five years ago Canada used to enjoy about a 50 per cent share in the sawn lumber, logs, poles and pilings imported into Japan from North America. However, the figures for exports of these materials in the five years ending in 1960 show a different picture. Of sawn lumber entering Japan from North

America 11.9 per cent came from Canada and 88.91 per cent from the United States. Log exports from Canada dropped to 3.12 per cent compared with 96.8 per cent in the United States. Poles and pilings dropped to 10.51 per cent from Canada and 89.49 per cent from the United States. Information which I received in Vancouver indicated that in the first 10 months of 1960 sawn lumber exports from British Columbia to Japan were only 3.53 per cent of the exports from British Columbia and the United States Pacific states; that our exports of logs had dropped to 1.92 per cent. Our poles and pilings stayed fairly stable; they dropped from 10.51 per cent to 9.98 per cent.

I wish to make one point unmistakably clear. I am fully in support of the principle that Canada and British Columbia with their vast resources, should not have an economy in which we are hewers of wood and drawers of water. To the absolute extent possible we should process our own natural resources and not export our raw material. But, in the processing of our raw material, the timber of British Columbia, what has happened? If the information I have from this major exporter in British Columbia is correct, our sawn lumber exports to Japan which used to be 50 per cent, on a five-year average had dropped to 11.09 per cent and in the first 10 months of 1960, they were down to 3.53 per cent. I am certain that with the resources in timber which we have in British Columbia and the efficiency of our logging industry, we should be able to compete, but we have lost out.

Of course, it is important to know why we lost out, but what is more important is can we regain the market? I hope the minister will comment on this. However, there is also another point that I wish to raise, but in doing so I do not want to be misunderstood. If we can process our raw materials in Canada, let us do so. We must process. Secondary industry is a must. A manufactured product means a lot more to the economy of Canada and the standard of living of our people than exporting the raw goods and importing manufactured goods. But if there is a time when we cannot process the raw material and we cannot export and therefore the logs, let us say, are going to go to waste, then there is something wrong.

In those circumstances if because of provincial and federal responsibility a situation arises under which we would rather have the teredos eat up the logs in the water than export the logs, then there is something wrong. From the talk I had with the executive officials in Vancouver and from the large amount of correspondence I have had with different people concerned it is my understanding that because of certain regulations we would prefer to see the teredos attack the logs in the water than accept contracts from countries which would like to buy the logs. I am not speaking of our major timber, I am speaking of what is known in the terminology of the trade as short ends. I think my hon. friend from Kootenay West will tell me if I am wrong.

By reason of the provincial and federal responsibility we have this situation. There may be short end logs in the water. If a buyer in Japan, for example, should write to an exporting broker and ask him to fill an order he would be told that he cannot answer. Why can he not answer? He cannot answer because the regulation says that in order to get an export permit the logs must be in the water for no fewer than 60 days. There must have been a scaling 30 days before the expiration of the 60 days, and the logs must be offered to saw mills or pulp mills for purchase. Then, at the end of the 60 days and the 30 days scaling and two companies, the saw mills or the pulp mills, have rejected the offer to buy the short end logs for processing in British Columbia, they can then apply for an export permit.

Mr. Pugh: Will the hon. member permit a question for clarification? To my mind it is a provincial regulation. Is it in fact a provincial regulation that demands this?

Mr. Winch: There is a combination of the two. I have in front of me information having to do with the federal regulations. What I have just said applies to the federal regulation, but there is a combination of the two, and I tried to make that clear. That is why I think there has to be understanding and co-operation. But here is the point. When I was at the meeting of those forestry executives in Vancouver there were two offers which came from Japan that morning to buy millions of board-feet of those short end logs. I said to the president of that company, "What are you going to do with it?" He said, "I am going to turn them down." I said, "Why; are the logs not available?" He said, "There are whole booms of logs within three miles of where you are sitting. I cannot get them because they have to be 60 days in the water and scaled, and then I have to go to the saw mill companies and the pulp companies and get one of them interested enough to come down and say 'We will not buy'."

Under the circumstances this would mean work for the loggers of British Columbia. Those are logs which are going to be attacked by teredos; they will be attacked by teredos because that is the situation. I think this is a very serious situation. But the province of British Columbia does not want any change. In principle I can understand why. Let us

process in our pulp mills and saw mills in British Columbia. But, Mr. Chairman, I ask this question and I hope the minister will comment on it. These logs are going to be attacked by toredos and once they are attacked by teredos they are no good for pulp and no good for saw mills. Why do we have to waste that natural resource; why do we have to leave these short ends on the ground or in the water, if nobody will process them in British Columbia or in Canada? Why do we have to say, "Let this natural resource rot" rather than get some return for it?

I hope this is understood by all hon. members. I repeat it the third time. I want the material to be processed in Canada. In circumstances such as these it would mean very much to our young men and much more to the British Columbia economy. Why do we have to retain provincially or federally this kind of regulation? Could something not be worked out to protect the processing in British Columbia and protect secondary industry also in that province?

With respect to the short ends left in the water or on the land when the good stuff is taken out, can a plan not be evolved whereby Canada will get a return from the export of these short ends instead of their being left for food for the teredos? There are some here who are well acquainted with the timber industry of British Columbia and they know how the teredos go to work on the logs in the booms in the ocean waters of British Columbia. I want to draw that particular point to the attention of the minister and ask for his comment thereon.

In particular, I want to draw to his attention the change not in the amount of our exports of sawn lumber, logs, poles and piling to Japan but rather the drop in the percentage we are able to export to that country compared with the amount exported by the United States. Something has gone wrong, and I draw this matter to the attention of the minister and ask that particular attention be paid to it.

In the matter of exports generally to the countries of the world, I feel quite certain that if the minister could have more men, retain his trained personnel and persuade the Minister of Finance that the expenditure of money to maintain and increase our exports is money well spent and directly or indirectly results in returns to our economy and the people of Canada, he would be able to bring about some improvement.

I conclude as I started by saying that I consider this department to be one of the most important departments of government and I hope the minister will be able to give us more information later as to how the problem facing us in going to be attacked. We will give him every assistance we can but where required we will also criticize.

Mr. Smith (Lincoln): Mr. Chairman, I am not as well prepared at this time to speak on this important subject as I should like to be and my remarks will be directed primarily toward problems that affect the area in which I live. First of all, I should like to extend to the minister my sincere congratulations and those of the people of the riding I represent for the splendid effort he is making in building up Canada's export market and also preserving our home market. As I said, I intend to deal more or less with local matters. I might say that in the area from which I come we grow a very large proportion of the tender fruits and vegetables that are grown in Canada and we also have more than 200 diversified industries. When I review these industries it surprises me to note the number of different types of industries we have. Some of them depend almost entirely on the export market, and I am thinking particularly of the pulp and paper industries of which we have several. We also have some industries which depend on both the export market and our own market and we have a very large number of small industries that depend almost entirely on the Canadian market.

For these reasons it can be seen that in my riding we depend very much on a balanced economy. We cannot afford to have too much in the way of imports come into the country because it may ruin industries that depend on the home market and yet we must not set up road-blocks that will interfere with our export market.

It would sometimes seem that the Customs Tariff and the provision respecting value for duty are regarded as bad words in this house but nevertheless these are two very important pieces of legislation in controlling our trade and commerce and they must be brought up to date from time to time. In reviewing the problems of our local industries one is often very much convinced that there is reason for changes in these measures. I might cite one instance that came to my attention a few weeks ago in connection with a plant that was established in our area in 1955 and started production in 1957. Many millions of dollars are involved in the building and machinery and the development that took place in order to get the plant into production. The industry in question has been able to supply its product to the Canadian trade and has also done a considerable amount of export business. The company produces a type of specialized fire brick. A considerable

amount of reinforced steel is used in this production of the fire brick but the basic material required is magnesite ore.

I presume there is a lot of magnesite ore in Canada which may be suitable for this type of brick, but at the present time only two bodies of ore are in production and both are under the control of another company. The firm to which I refer is in the very unhappy and unfortunate position of having to pay a duty of 15 per cent on the raw material they bring into Canada while the finished fire brick is allowed to enter Canada duty free. There is a case where an industry is being penalized for being in business.

The point I should like to make is that there are many different items in our Customs Tariff that should be reviewed and changed. At the present time, unfortunately, practically all of these items are tied up under GATT and it is very difficult to get anything done. I might say that this industry flourished and did well. It supplied a very fine type of brick to such industries as the Steel Company of Canada, the Portland Cement Company and the International Nickel plants at Sudbury but today they find that a similar product is entering Canada from other countries duty free. This is affecting their sales and unless they receive some protection they are going to be out of business. I feel that trade and commerce is not only a matter of export but also a matter of our home market as well, and that is one of the problems I should like to place before the minister at this time.

There is also the question of value for duty purposes, something that is often debated in the house with some heat, but from my observations in connection with the values for duty on certain items coming into Canada I find that the values for duty on some goods are very unrealistic.

I might cite just one example, the matter of radio tubes. I mentioned this in the committee before, but I do not mind bringing it up again because I find the value for duty placed on these tubes coming in from a certain country is 29 and 31 cents whereas the value which has been arrived at in the country from which they come and used by the trade commissioner of that country is 60 cents. This represents a very unfair situation with which we in this country have to contend. I think that if our values for duty on imports from low wage countries were realistic, I do not mean the actual Canadian cost but the costs arrived at in the country in which they are made, we would find our imports from those countries would be very much higher than they are at the present time in dollar value.

This puts the Minister of Trade and Commerce at very great disadvantage. I hesitate to mention Japanese products, but that is one country I have in mind. We are told all the time that Japan is buying much more from us than we are buying from them. However, if a realistic value for duty were established on the goods coming into this country from Japan, I am sure the tables would be turned and we would be buying much more in dollar value from Japan.

There is another matter about which I am deeply concerned and that is that many of our industries in the Niagara peninsula have reached a point in their production where they can compete with the United States. Now, that is quite a statement to make but I know it is a fact in some cases. Many of these industries have built up quite a business with the United States. There is one practice in which the United States indulges, although I do not know whether or not they do it intentionally, and that is the changing of tariff regulations practically overnight.

I could cite the experience of one firm in this connection. This firm received a substantial contract from the United States. The goods were manufactured and a substantial shipment made. The firm received another big contract. The goods were made ready for shipment but instead of being shipped via Niagara Falls as they had been before they were put across the border at Detroit. The American customs appraiser at that point held up the shipment. Apparently he is a power unto himself because he increased the tariff from something like 30 per cent to about 45 per cent and told the company that if they did not want to accept his ruling they would have to appeal to Washington. In the meantime, the goods were held up at the border for three weeks and demurrage was paid on them. The decision of the appraiser at Detroit was confirmed. As a result this firm lost money instead of making a few dollars. This is a condition about which perhaps we cannot do anything, but I think it is a condition that should never be forgotten when we are dealing with the United States in matters of trade and commerce.

I am sure many hon. members will recall that a short time ago, almost overnight, the United States raised its tariff on bicycles imported from Canada from something like 30 per cent up to 50 per cent. This had a very vital effect on the Canadian bicycle industry.

I should like to bring to the attention of the minister a problem that is developing in Canada today in connection with not only our coastal shipping but also our lake shipping. We all know that Great Britain built up a tremendous world trade through having ships to take the goods to their destination. The condition in Canada today is deteriorating. Living along the banks of the Welland

ship canal, as I do, I have noticed that the number of European ships going through the canal is increasing all the time. These ships are hauling freight at prices that Canadian ships cannot meet. I had the opportunity of visiting a British freighter last year, a 10,000 tonner, which was engaged in bringing cargo from South America. This vessel carried a crew of 40. There were five white officers and 35 Hindus who were paid $40 per month. They got their food and cooked it themselves. The agreement under which they were hired stipulated that they would sign up for three years and that they would be taken home at least once during those three years. This is a condition which we in Canada simply do not want to match.

We know that at the present time some Canadian vessels are being transferred to British registry, just as the Canada steamship lines are transferring some of their vessels to Bermuda registry. Scott Misener is considering action along the same lines. This type of thing could spread very rapidly and, in a short time, we could find we had very little in the way of Canadian shipping on our great lakes. This situation applies not only to lake vessels but also to vessels plying the St. Lawrence river and our coastal areas. I am greatly concerned about the transfer of these ships to foreign registry because I feel that should some world disturbance take place these foreign ships would be withdrawn from our service and we would not have any vessels with which to move our own goods. I feel this is a matter which the Minister of Trade and Commerce should take into consideration. If we are going to build ourselves up as a trading nation, then it seems to me imperative that we have a strong merchant fleet not only on the great lakes but also a fleet that would be capable of taking goods to practically all parts of the world. The situation is certainly not developing along those lines at the moment.

I have not got a great deal more to say, Mr. Chairman, but I should like to make some comment on a speech delivered by Mr. Coyne. If Mr. Coyne is on your side then he is your friend, but if he is against you then he is not. In this case, as always, I think his words are very true, and I should like to quote them:

> We cannot expect to go on indefinitely buying goods and services from abroad in amounts greatly in excess of our exports, that is, buying on credit on a scale which requires large further increases in our foreign debt.

Then, he goes on to say that corrections must be made and he concluded by saying:

> The sooner we can make substantial progress in this direction, the stronger and more secure will be our economic future and national integrity.

[Mr. Smith (Lincoln).]

We all know that our imbalance of trade, while it may have improved somewhat, is a matter that gives us a great deal of concern. The other day I saw some figures, and I probably cannot quote them exactly, which indicated that Great Britain purchased goods abroad to the extent of something like $54 per person per year; Germany, something like $46; the United States, $19 per person per year, and Canada, the small country that we are, was purchasing abroad about $275 worth of goods per person per year. These are figures which stagger all of us because, after all is said and done, running a country is just like running a business or a household. If you spend more than you bring in you are soon going to go broke.

This concludes my remarks at this time, Mr. Chairman and I hope I have contributed something of value toward this debate.

Mr. Badanai: Mr. Chairman, it is generally conceded that Canada is going through a difficult period, more fundamental than a mere period of business recession. Were it not for the unusually large number of unemployed, the situation would not be so serious. However, we are confronted with this problem in which no one finds satisfaction; and as we analyse the causes we cannot help but point the finger to, at least as a contributing factor, the inability to maintain Canadian exports at a level which would ensure increased growth in the economy.

I have had occasion to say it before and I repeat that the Minister of Trade and Commerce, notwithstanding his industrious application to the job, which is commendable, has not been able to shake off the shackles of a tariff policy, imposed upon his department, which is not conducive to improving our trading position with other nations. I do not propose to repeat what I said here last Tuesday on the subject of tariffs. I shall, however, endeavour to indicate to the minister some of the reasons why I think we are suffering from competition in the markets of the world, the effects of which are plainly visible in our unemployment picture.

The first reason which comes to my mind is the government's attitude toward United States capital. The sport of giving United States investments another punch in the nose seems to be in some quarters as popular as ever. Indeed, some speakers seem to be forever dedicated to fostering animosity towards anything American, whether it is newspapers, telecasts, radio programs or capital investment. They do this in the name of rugged "Canadianism", perhaps not realizing that by doing so they are actually hurting themselves.

The president of the Royal Bank of Canada in a speech he delivered early in the year warned the Canadian people against what he called "The almost hysterical wave of sentiment against the import of foreign capital". Mr. Chairman, we cannot hope to expand our export business unless we have first sufficient capital to develop our primary industries. A case in point is a recent statement made by Mr. M. S. Fotheringham, president of Steep Rock Iron Mines, to the effect that it might be impractical for his company to proceed with developments at Lake St. Joseph without extensive financial backing from United States firms. This is a company which has been responsible for the export to the United States of more than 25 million tons of iron ore. The cost of the development of the Steep Rock Iron Range Mines, including the Caland Company of Cleveland ore deposits leased to that company by Steep Rock Iron Mines Ltd., was well in excess of $100 million. These ore bodies are continuously being subjected to progressive exploration. This gigantic enterprise would not have been possible without ample capital. I scarcely need to add, Mr. Chairman, that this mining operation has meant millions of dollars to the credit side of our exports. Contrary to the opinion of some people that investments in our primary industries especially from the United States are merely exploiting and are interested only in the accumulation of profits, I wish to quote from the annual statement of the company which reveals the fact that this mining project since commencement in 1945 has netted a profit of $60 million from all of which there was reinvestment in expansion and development, giving employment to hundreds of millions and not one cent has yet been paid in dividends to its shareholders. I may add that Canada expects to be exporting some 80 million tons a year of iron ore by 1975 and about 100 million by 1990. This is a statement also made by the president of Steep Rock Iron Mines.

United States investment in Canada is the story of a great contribution to the development of Canada which was made in the first instance at the instigation of private industry as well as at the invitation of the Canadian government of the day which was chiefly responsible for the great manufacturing facilities which provide most of our exports, outside of grain such as pulp and paper, nickel, aluminum, automobiles and parts and other products. Only yesterday, an account appeared in the Montreal *Gazette* which reported a substantial sale of car radios to the United States by R.C.A. Victor Co. Ltd., the Canadian company, designed and developed here in Canada. Incidentally, I may say that this company during the past three years has sold to the United States more than $4 million of technical equipment, and in competition with some of the largest manufacturers of electronic equipment in that country. It seems that this company policy of developing its own products has paid off and it should serve as an example to other manufacturers in adopting similar methods of enterprise.

Our economic ills have been dissected by several so-called experts. One of them, the governor of the Bank of Canada, made numerous pronouncements on the economic state of the nation. He has chosen several vehicles to launch his views. The latest was his appearance before the Senate manpower committee. According to reports, here again he was voicing the opinion that the Canadian people were living beyond their means. He pointed out that consumer debt of the Canadian public, once well below that of the United States in terms of personal income, was now almost at the same level. If he had said that we are living beyond our means in the sense that we are importing more goods in terms of dollars and cents than we are exporting, I would go along with him. But I am not of the belief that we are living beyond our means when we spend our money on goods manufactured here in Canada.

What created the prosperity and high standard of living which those of us who are employed are privileged to enjoy, is made possible precisely by the spending of the people in purchasing automobiles, appliances, better housing accommodation, clothing, furniture and a host of other commodities. Our banks and finance companies, in the majority of cases, provided the credit to finance these purchases which in turn created prosperity and not depression.

Contrary to the old fashioned thinking of putting your pennies into a sock and burying it for a rainy day, I believe that employment and a higher standard of living can be achieved in direct proportion to the velocity or speed of circulation which our currency attains and the revolving of credit.

The No. 1 objective—and I am sure it is the aim of the minister—is to trade with every country willing to trade with us on a reciprocal basis and remove the obstacles of unfair tariffs with nations who are buying more from us than we are buying from them.

While speaking on the amendment to the supply motion last Tuesday evening I gave credit to the minister for the trade commissioners' conference which he promoted last January. By way of suggestion I wish to bring to his attention that the department of commerce of the United States have

arranged for exporters to explain to small businessmen and manufacturers how to break into the export market.

The exporters will explain to these groups how it might benefit them to work together. They will also offer to act as consultants and brokers, cutting through red tape and making contact with buyers.

The department of commerce of the United States has also quietly lifted a 20-year old ban on publication of who receives export licences for the shipment of critical materials to foreign nations. Exporters encouraged continuation of the practice, which dates from world war II, because I presume they did not want competitors to know who their foreign customers were. Here, perhaps, is something our own government should look into and cut all the possible barriers to markets abroad.

However, the problem of export trade cannot be solved by any single remedy. There are many sides to the question and these should be examined. I propose to suggest ways which may be found worthy of consideration by the government.

Let us take a look at what is happening in some of the major trading nations of the world. Let us first take Japan as an example. We think of Japan as a country of 90 million people all busy making cheap goods to dump on world markets. It is a comparatively small country with a very small agricultural area. The Japanese cultivate every inch of it that will grow anything; but the area is pitifully small to feed 90 million people.

Japan must therefore import 40 per cent of her food or her people will starve. To make matters worse, she lacks raw materials. She imports iron ore, nickel, chromium and copper from Canada for her industries, and wheat for the major part of her food.

Japan must pay Canadian currency for the wheat and raw materials she imports from Canada. To earn Canadian dollars she must sell something to Canada. Without natural resources she can sell only the products of her factories. In other words, there has to be a two-way trade in order that other nations may do business with us.

The objection to this is that we import things that could be manufactured here. But can we not benefit more by selling that which we can produce better, and in abundance, in exchange for things which Japan may be better equipped to provide our markets?

We can honestly say competition for Canadian manufactured goods has been brought about not by the wish of the Japanese but by the sheer necessity of their so doing, or starving.

Let us take a look at Belgium. The Belgian government has a set policy of encouraging new industry to start new factories by giving land free. Local taxes are waived for a period of years; loans are made available at 2 per cent interest. Therefore, if we look at the cost factors of Belgian goods, the principal factors are ample, low cost capital and free land. Also government income tax on corporations or businesses averages 28 per cent, against our 52 per cent. It is no wonder that Belgian goods are cheaper than Canadian in the world markets.

Customers in foreign markets are like people anywhere; they do not like to pay for goods until they receive them, and they like to buy on long term credit. I understand it is not uncommon to receive payment for goods as long as six months after they have been shipped. However, you have to pay before shipment for the raw materials that you use and, of course, the wages of the people who made the goods. To do this you have to borrow from a bank, and the interest on bank loans is today 6 per cent or 6½ per cent.

What has made possible the spectacular German recovery? It is generally conceded that one of the major factors in her favour was the establishment of a government agency to loan money to exporters at an interest rate of 3 per cent. Therefore the German car manufacturers and other exporters always have a 3 per cent advantage over Canadians.

Germany also has what is called a turnover tax of 4 per cent. For example, if company A sells steel to company B to make parts for company C, according to German tax law there would be a 4 per cent tax on the goods between company A and B and again between B and C.

However, if all three companies were owned by one organization there would be no tax. I would not advocate that this simple method be copied in Canada; I mention it only to show that by this method the German government forces integration of operations, on the theory that large volume production is cheaper than small volume operations.

This is quite in contrast with the policy of our government. We have a market of only one fifth that of Germany, and we have a so-called anti-monopoly law which tends to prevent companies from growing into large economic units. As a consequence we are forced into higher costs than those which face our German competitors.

I now wish to say a word on how France has effected her recovery. She has done so by the simple expediency of lowering the value of the French franc, as compared to other currencies, by 17 per cent. This means that French industries, through no effort of their own, are able to sell their goods 17 per cent below their former prices in world markets, and former exporters to France find

their goods 17 per cent more expensive when imported into France. The result has been a tremendous boom in French industry and her economy generally. Her unemployment has never been lower than in recent years. This was happening while the value of the Canadian dollar was up on a high perch, favouring imports rather than exports.

In an address delivered to the Rotary club of Port Colborne, Mr. A. C. Rae, vice president of marketing, Atlas Steel Limited, said this among other things:

> Government has an essential function in this program. Government at all levels must be the fact-gathering agent which supplies accurate information from which private enterprise can decide what areas of development will give continuing full employment. Government must also take the lead by getting the various self-interest groups together and helping them to understand the over-all needs of our country. Government also must take the action needed in establishing the domestic policies and international agreements which are required to accomplish the combined goals set for itself by private enterprise.

I express the hope that the minister will give serious study to some of these practices which are successfully being used by other nations in the promotion of international trade. There can be no doubt that by combining our material resources with our manufacturing skills and by supplementing them with our agricultural production we can develop an integration of effort that will employ all available Canadians and create the needed job opportunities for our expanding labour force.

(Translation):

Mr. Pigeon: Mr. Chairman, during the last ACFAS convention held at the University of Montreal, a resolution was passed unanimously asking the federal government to establish a committee formed of experts in various fields—science, trade, engineering, administration—which would consider the methods of gradually introducing the metric system in Canada.

Mr. Chairman, these past few years the metric system has been used increasingly in Canada, more especially in the scientific field. It is known, for instance, that the Department of Fisheries, in its work, as well as in its publication, *The Journal of the Fisheries Research of Canada*, has been using this system of measurement exclusively. Moreover, at the outset of the work on the continental shelf project it was decided to use only the metric system. Finally, since the beginning of 1960, two of the most important geographical Canadian magazines, *La Revue Canadienne de géographie* and *Les Cahiers de géographie de Québec* have decided to use the metric system on an exclusive basis. In the geographical branch itself, although the metric system is not used as a matter of course by all geographers, it is nevertheless used by those who co-operate in the continental shelf project.

On January 1st last, England and all the overseas territories coming under its jurisdiction adopted the centigrade degrees to measure temperature. This change applies not only to the scientific field but also to everyday life. In other terms, since the first of January last, English newspapers, radio and television stations have been giving their weather forecasts in centigrade units, according to the metric system.

It must be noted that this change is a first step toward the generalization of the metric system in all the spheres of everyday life in England. As a matter of fact, the adoption of the metric system was recommended in England in May 1960, following an extensive survey in the course of which a very large majority of personalities and qualified organizations took position in favour of the metric system.

Allow me, Mr. Chairman, to mention a few disadvantages due to the fact that our country has not yet adopted this metric system.

When tenders were called for the purchase of equipment required by a Middle East country, the Canadian bid was the lowest. However, it was not accepted.

The reason given the Canadian representative was the following:

> Your equipment is very good and it can manufacture products that meet the requirements of the metric system, which is the one used in this country. But the trouble is that parts are machined according to your system of measurement. When the time comes for replacing those parts, this fact may mean expensive delays for us. Sorry.

The contract was therefore given to a German firm. Its bid was higher, but it was using the metric system for manufacturing parts. Those parts are available throughout the Middle East.

Mr. Chairman, these facts were reported in the December issue of the newspaper *Perspectives*.

A prominent Argentine manufacturer who came here on business spent hours consulting a Toronto firm's catalogue. The sales manager did not fail of course to point out to him machines which were lower priced than those offered by competing European companies. The South American scribbled figures over several sheets of paper and then closed the catalogue, took his hat and said:

> Your prices may be more attractive, but I am so confused by your measures that I would rather pay more to European suppliers. They have the same measures as we have. What I would save

on the purchase price would be more than erased by the loss of time and the unavoidable mistakes in converting yards into meters and gallons into litres.

Such incidents illustrate a harsh fact: our foreign trade will probably be conditioned by our system of measures. Throughout the world, Canadian products must compete with those of foreign manufacturers who have a great advantage in that their weights and measures are easily understood by customers, whereas ours are above the understanding of most of prospective purchasers.

Since our standard of living is closely related to world trade, all Canadians are affected by this confusion about measures. Furthermore, our unpractical system only makes things more complicated for everyone, mother and student, artist and engineer, scientist and farmer.

At present the standards of measure divide the world in two blocs. The commonwealth and the United States have the British system while the metric system is used in most of the rest of the world, namely Europe, U.S.S.R., red China, Japan, South America, Central America and the new African states. That means that 90 per cent of the world population enjoy the advantages of the metric system.

On our side, we are beginning to fear for the future of our exports. Yet, sentimental attachment to a traditional system may soon be upset by the necessities brought about by economic pressures.

India adopts the metric system. Eager to industrialize, India has bought just about everywhere the things that she needed. Will she now continue to import machines that will create nothing but confusion? Would Canadians buy lathes or tools of metric standards for their plants?

Again, I have quoted from the last December issue of *Perspectives*.

A parliamentary committee in New Zealand has recommended the adoption of the decimal system for money, to be followed by the adoption of the metric system. South Africa started on February 14 to convert her monetary system.

In the United Kingdom, a parliamentary committee has already recommended a total revision, and conversion of the monetary system has been advocated in a report prepared by several committees representing the British chambers of commerce association and the British association for the advancement of science. More than 2,000 organizations have submitted evidence and ideas.

It seems that the English monetary system of pounds, shillings and pence, which has tormented generations of English students and innumerable tourists, is bound to disappear.

Another significant fact is that, according to the report, the metric weight and measures system will finally have to be adopted, but the report does not recommend that it should be made mandatory at once.

I would mention at this point, Mr. Chairman, that in the Department of National Defence, the metric system is fully accepted, particularly in the department's relations with our European partners in NATO.

The difficulties arising from different systems can be many and unfortunate. As an example, Bailey bridge sections made in the United States and in Great Britain could not be fitted together because the measurements were different.

Some Canadian businessmen see the situation realistically, but they are a minority.

The Canadian association of drug manufacturers made the change-over a few years ago and is now very happy about it. Measurements in electronics and photography are based on the metric system. Many of the firms involved have in fact found that the change-over had been less costly than anticipated.

Conversion on a national scale will probably depend to a large extent on the passing of a similar measure in the United Kingdom or the United States, but that is no excuse for inaction.

It is important, however, that eventually a committee be set up to consider the adoption of the metric system in Canada.

If a Canadian exporter finds he would stand to gain from the metric system, he should convert to it immediately.

Before applying the metric system across the country, we would have to have the answers to various questions. Should we act in conjunction with the United Kingdom and the United States? Should we apply a crash program or a long term one?

Some U.S. experts estimate that it will take 30 years to carry out conversion, in view of the high degree of that country's industrialization. The Indian plan provides for a 10- to 15-year period; the Japanese plan has a much shorter term. The South Africans expect it will take 18 months only to change their monetary system. A study of the metric system should be compulsory teaching in the schools. Of course, this point comes under the jurisdiction of the provinces.

We could also indicate the weight or volume of some products, such as groceries, in grams or litres; we might replace miles by kilometres on road maps and road signs. The biggest problem and the longest to solve will be the

conversion of machine tools, dies and gauges. Both systems would be used concurrently for a few years, while obsolete machines were being progressively replaced.

It would thus be possible to carry out conversion in 10 to 15 years. What is most important is that the organizations primarily concerned, such as the Canadian Chamber of Commerce and the Canadian Engineering Institute, immediately start tackling the problem.

At a time when the Soviet threat to our foreign trade is a cause for concern, it should be remembered that Russia holds a tremendous advantage in the metric system. The customer always prefers the easiest alternatives.

Our scientists use metric measurements, while our engineers measure things in inches, pounds and gallons. They waste precious time converting figures in either direction to co-ordinate their work.

We can well wonder to what extent the Russian advance in the field of space research may be attributed to closer co-operation between its engineers and scientists, all of whom use the metric system.

If we do not adopt the metric system, we run the risk of incurring enormous economic losses.

A moment ago, I gave a few examples in that connection. Some day, Canada will adopt the metric system and, Mr. Chairman, we must prepare for it now.

Mr. Deschatelets: Mr. Chairman, I should like to deal briefly with two matters. First of all, about unemployment statistics, and then about our trade policy.

Mr. Chairman, item 399 of the estimates of the Department of Trade and Commerce includes an amount for the dominion bureau of statistics. For some time, I have wanted to raise that matter. As I represent a typical working-class riding, I submit that the unemployment figures provided by the dominion bureau of statistics give us an incomplete picture of the situation. In my opinion, if we want to solve that problem, we must first of all realize its scope.

That is why it is important that the dominion bureau of statistics, on the basis of new standards, should submit each month on the basis new standards, figures that accurately reflect the gravity and scope of the unemployment problem.

On April 15 or 16, the Minister of Labour (Mr. Starr) told us that, according to the D.B.S. figures, there were, in Canada, 714,000 unemployed at the end of March. Now, as everyone knows, those figures are the result of very incomplete sampling. Perhaps they give us a picture of the situation, but I fear it is a rather sketchy picture.

A few days later, I asked the Minister of Labour how many Canadian citizens were drawing unemployment insurance benefits from our offices, at the end of March. He replied that on that date the number was 837,961.

Now, it is quite obvious that the unemployed, the man who draws unemployment insurance benefits, is unemployed within the meaning of the unemployment insurance act, because he has to submit evidence that he used to have a job, that he no longer has one for reasons beyond his control, that he has the required quantity of unemployment insurance stamps, and that he is available for work.

Now, how is it that, at the end of March, 837,961 persons were drawing benefits, while the figure given us by the D.B.S. is only 714,000?

This proves, therefore, that the D.B.S. figures are incomplete and do not show the extent of the problem.

Besides, there are millions of Canadian citizens who are out of work and who do not draw any unemployment insurance benefits.

If the minister, anxious to set up an adequate statistical system, would only refer this matter to the industrial relations committee, I would be in a position to prove that the number of unemployed who do not draw any benefits is about one third the number of those who do. At any time with the help of a few witnesses, I would be in a position to prove that.

Mr. Chairman, if we add the number of those who draw those benefits to the corresponding third of that number, we get a total of 1,110,114 unemployed. The purpose of my remarks with regard to the D.B.S. is to establish that, if we all want to solve this problem, we will have to change the standards for those statistics, because we have to know how many unemployed there are.

Mr. Chairman, I submit that this is the responsibility of the Minister of Trade and Commerce (Mr. Hees), and not, of D.B.S. officials, even if they are experts in the

matter. If the minister did set up an adequate accounting system—and we have the necessary organization to do so—we might obtain every month figures which would prove that the situation is much worse than shown in present D.B.S. figures.

Again, I think that we, in this house, who are looking for an answer to the problem, should have more adequate figures. I therefore ask the minister to pay particular attention to my request, because I propose to raise the matter at every opportunity.

Mr. Chairman, I now want to say a few words about our policy in trade matters.

If I understood the minister well this morning, when he dealt with the matter his statement was read rather rapidly, but I jotted down as much as possible of the following remarks—he said:

> We are trying to protect Canadian industry against the excessive risks of importations.

Now it is regrettable that we should have to recognize that results did not fulfil the government's hopes.

It is all right to wish and to express pious hopes, but this morning we expected a quite definite policy with regard to trade to be worked out.

In order to make it quite clear that our Canadian industries, in some sectors, are in an intolerable position, just because of imports, I would like to read a paragraph from an item published yesterday on the financial page of *La Presse*, and signed by Mr. Eugene Lafond, who said:

> The flooding of the Canadian market by imported textiles now seems to be beyond all control. In fact the Canadian Apparel and Textile Manufacturers' Association reports that shipments of clothing and textiles from Hong Kong to Canada have increased by 38.6 per cent last year, and have now reached a value of $8.3 million, whereas it was $6 million in 1959, and $3 million in 1958.
>
> For a number of years, the Canadian market was submerged by imports of Japanese textiles. Since Hong Kong textiles have appeared on our market, the latter is literally flooded; the situation has become unbearable, and when looking at the figures quoted by the association we find that, in 1960 alone, Hong Kong shipped to Canada 1,071,600 blouses, 2,366,364 shirts, 3,993,396 pairs of trousers and popular clothes of that kind, as well as 4,938,804 other pieces of woven clothing.
>
> It has often been said that if the Canadian industry is unable to meet this competition, it is due to the extremely low level of salaries paid in the countries of Asia.
>
> It is noted by the association that textiles sold in Hong Kong by Canada are not competing with the local product since ours are only partly finished goods which are finished, then re-exported; this is not at all like the situation which prevails on the Canadian market.

[Mr. Deschatelets.]

Now, Mr. Chairman, our position is quite clear concerning Canada's trade policy. It was set forth unequivocally during the debate held this week, when the Leader of the Opposition (Mr. Pearson) and other opposition members dealt with this matter. We are advocating the establishment of an economic community of Atlantic countries which, in my opinion, is one of the schemes likely to promote the development of Canadian trade.

Here is what I find in yesterday's issue of *La Presse*, in an editorial dealing with this debate and this matter:

> What will Canada do when Great Britain, as she now seems resolved to do, decides to join the six of the common market, thereby granting preferred treatment to the products of those countries and putting our exports in the British Isles at a competitive disadvantage. We must ask ourselves whether, under the circumstances, the Canadian government should not consider right now modifying its trade policy to ward off the blow.
>
> Canada has done nothing so far, nothing tangible at least, to protect our trade interests.
>
> It must be recognized that, so far in the debate on this subject in the house, the position of the government has been purely negative.
>
> Would it not be possible for our country to take part one way or another in the regrouping arrangement thought up by the European countries. It is the solution that was put forward by the opposition when it suggested the setting up of an Atlantic economic community as a complement to the defence community based on the North Atlantic treaty.

Mr. Chairman, those are the only remarks I wanted to make at this time. I will surely have questions to put when the different items of the department estimates are being looked into. Right now I should like to say to the minister that I am looking forward to the information he will give us in connection with vote 399. This vote has to do with unemployment statistics which, as I have said before, do not give a true picture of the seriousness and extent of this problem.

(Text):

Mr. Herridge: Mr. Chairman, I intend to be quite brief as usual and normal. First of all, I want to express my appreciation of the minister's courtesy and his very prompt attention to any matter I have brought to his attention. The same thing applies to his parliamentary secretary. I give them top marks as far as industry and courtesy are concerned, and I am sure all members appreciate that. I also want to express my appreciation of the work of the staff. A number

of times I have had occasion to make inquiries and I have always found my letters and all my inquiries replied to promptly and the information given as fully as possible.

While I listened with interest to the minister's review of the activities of his department, like former speakers I believe he failed to emphasize to some extent the difficulties that Canada is facing at the present time with respect to overseas trade particularly and the possible intensification of these difficulties in the months and years ahead. I refer to the difficulties which are caused by the formation of trading blocs, by the groups of countries that indulge in state trading, various pricing policies and the lowering of costs made possible through efficient arrangements as the result of co-operation, co-ordination and planning within the country or between certain countries.

The department's report this year is most attractive in format and very informative. I think there has been a great improvement in recent years in the reports put out by various departments. This is the second one within recent days that has shown great improvement over previous years. It is a credit to the printers, the persons who design the format and the material is well drafted and presented in readable and logical sequence.

My few remarks, Mr. Chairman, are really going to be in the nature of half a dozen questions which I wish to ask the minister. Will the minister, when he speaks, tell the committee what is the difference between trade and commerce? This has always been a rather intriguing question in my mind when the estimates of the Department of Trade and Commerce come before this committee. So far as the dictionary is concerned, I can find very little distinction. I wonder why the department is named, trade and commerce. There must be some reason for it. This is a question which arises out of my native curiosity.

I should like to direct the minister's attention to an item that appeared in the *Globe and Mail* of February 28 which, incidentally, is my birthday. It is entitled, "Canada doing little to meet challenge from trade blocs", and was written by Bruce Macdonald. I shall quote from it briefly and then I want to put a number of questions to the minister:

> Despite the problems created for Canada from increasingly intense foreign competition, at home and abroad and from radically changing trade patterns resulting from the creation of new economic blocs, so far there have been few changes in Canadian policy to meet the challenge. That these developments do have serious implications to this country, there is little doubt, deputy trade and commerce minister James Roberts emphasized in a Montreal speech today.

I would not be surprised if he were present in this building today.

> "Economic decisions are now being taken by governments and businessmen in the free world which are far-reaching and which will have a profound effect on the future economic well-being of all Canadians," he asserted.

There is another paragraph of this article which I should like to quote. Mr. Roberts is a man of great experience whose opinion is highly regarded. He is reported as saying:

> Mr. Roberts, who plays a key role in the development of policies to meet the challenge facing the country, provided no prescriptions of his own. For the first time, however, he did disclose some of the findings of the trade mission of 13 prominent Canadian businessmen which he led on a tour of the six-nation common market countries of Europe last fall, findings which may hold a lesson for this country.
>
> "It is apparent that a major contribution to the area's economic development has been achieved through the effective co-operation and co-ordination of labour, management and government," the businessmen concluded. "The current prosperity in the community (European economic community) has been greatly influenced by the development and application of economic planning—"

Just think of it, Mr. Chairman; economic planning. This is C.C.F. policy.

> "—in the individual countries. These plans are gradually being integrated in an over-all economic plan for the common market.

In order to provide goods at lower costs to meet increasing competition, these countries in the European economic community have decided to do some over-all planning, some integration and working together on the basis of co-operation. My second question is, will the minister tell the committee what is being done by his department to develop in Canada between the various groups mentioned similar economic planning, co-ordination and co-operation which, from recent information, have proven so successful in western Europe? I do not blame the minister because he is working within a set of circumstances that exist at the moment. We all know that the minister is very active, and he is doing the best he can as an individual. I feel we have unplanned production in Canada and that production is unrelated to planned marketing, co-ordination, investment policies and so on. Members of this group believe we are going to have continuing difficulties, and possibly greater difficulties, until we develop some system which provides for over-all economic planning, co-ordination and co-operation. I should like the minister to

tell the committee what is being done in that respect. This is my second question, Mr. Chairman.

The hon. member for Vancouver East made some reference to the importance to British Columbia of the export of primary products, particularly products of the forest, of the sea and of the land, including minerals, fruit and other commodities. This is a very important question in British Columbia because of the extent of our primary industries. While secondary industry can be developed to a certain degree in British Columbia, we must recognize that our economy is essentially based on the successful development of the primary industries. This is the reason there is so much interest in British Columbia in the development of overseas markets. In recent years there has been great interest in the development of markets in Pacific countries. In British Columbia, when there is a federal election—the hon. member for Vancouver East will bear me out on this—you will find Progressive Conservative candidates readily urging from the platform the recognition of red China. When these men come here, their voices are rather dim. This is due to the fact that in British Columbia they are voicing the opinions of the working people of that province.

My third question is, in view of the recent success in the sale of wheat to China and in the extension of our market in Indonesia as well as some other countries, would the minister tell the committee what his department is doing to obtain similar success in the sale of various Canadian forest products, products of the sea and soil, fruit, minerals and other commodities, to China and other Asiatic countries. I think the sale of this wheat is a very encouraging sign. I have heard that this sale will be increased in the near future. I certainly look forward to the minister making an announcement soon. We would like him to tell the committee what he is doing to obtain similar success—we do not expect everything to happen overnight—with respect to the other commodities I have mentioned.

Some years ago, in 1959, it was brought to the attention of this house that Alcan, a Canadian company, was not permitted to accept a million dollar order because the parent company in the United States said it was against United States foreign policy and interests. There was a good deal of protest at that time against this subsidiary's failure to recognize the fact that it was operating on Canadian soil and using Canadian national resources and Canadian labour to make these profits. At the same time the *Globe and Mail* of Friday, January 23, 1959, in an editorial under the heading "What Price Sovereignty?" had this to say:

> What is the burning topic in Canada today? Unemployment. Yet a large company meekly permits the Americans (or its fear of the Americans) to impose unemployment upon us. And how easy it is for them. They don't have to say anything, they don't have to do anything. The company's concern over what they might say, what they might do is enough to paralyse it; enough to make it take actions directly contrary to Canada's own welfare, Canada's own prosperity, Canada's own interests.

I understand that the situation was taken up at that time and that there was some improvement and some adjustment.

My fourth question is this. Will the minister inform the committee whether there have been any incidents of this type in Canada since he has taken office. I refer to incidents with respect to a Canadian subsidiary of a United States parent company refusing to accept orders from China or other countries of similar political ideology, because of instructions from the parent company or because it was against the policy of the United States.

I have two more questions. I am sure the minister takes a great interest in all the sayings and writings of people who are interested in improving our trade and commerce in Canada at this time. I am sure his attention has been directed to a speech by Hugh Llewellyn Keenleyside who made some suggestions with respect to the improvement of our trade. There are many people making suggestions without much knowledge or experience. However, I read this speech very carefully because Dr. Keenleyside was a former deputy minister. He was in charge of the technical assistance program for Canada at the United Nations through one of its agencies and he is now chairman of the British Columbia power commission. He has had a distinguished academic and administrative career. I therefore read with interest what he had to say. I am not going to read the article in full. I am just going to read one paragraph. It appeared in the *Financial Post* of May 7, 1960. It is entitled "He Charts a Fresh Course for Canada" and it reads in part as follows:

> Hugh Llewellyn Keenleyside, in over 30 years of distinguished public service—both in Canada and with the United Nations—has rightfully gained a reputation as an able administrator and an imaginative policy-maker. Few Canadians, in short, deserve a better hearing. He says:
>
> "We should work out a system of selective free trade with the selection based on the willingness of U.S. countries to allocate an appropriate portion of their total (North American) production to factories established in Canada.
>
> "There is no reason why it should not be extended to any country that is willing to meet the basic qualification: The establishment of new factories in Canada and free access for its products to the consumer market of the other country."

Then *The Province* of May 10 had this to say in an editorial entitled "A Challenge to Canadian Ingenuity . . .":

> Dr. Hugh L. Keenleyside's formula for "selective free trade" as an answer to Canada's increasing economic problems offers so many logical and practical features that no time should be lost in examining it more closely.
>
> The steps suggested by the British Columbia power commission chairman and former United Nations' official... have received enough preliminary publicity and discussion to warrant an exhaustive and critical study by both government and private business.
>
> We say both government and private business because the agreement and co-operation of both is manifestly necessary if anything is going to be done about this proposal. Neither government edict nor private business policy could, alone, bring about the desired result.

I am extremely pleased just to note in passing that even *The Province* is beginning to speak the language used by the C.C.F. over the years. It mentions the necessity for co-operation between government and private business in dealing with economic problems. We have advanced those views throughout the years in our development of what we call the theory of a mixed or dual economy.

My fifth question to the minister is this. Has he read of these proposals by Dr. Keenleyside and has he given them his careful study and attention? If so, will he inform the committee as to his opinion of their practical nature and of the possibility, as a result of the application of Dr. Keenleyside's proposals, of improving somewhat our position with respect to trade and commerce in Canada and consequently the unemployment situation?

My sixth and last question is simply this. I was reading the departmental report in my office, especially one section of it that is of great interest to me, namely the section that deals with small business. It was established largely to gather information, to offer advice, to publish literature and to undertake activities of that type. It is of interest to hon. members and I quite frequently receive letters making inquiries about this branch. On occasion people confuse the branch with the organization under the bill that provides for loans to small business enterprises and their improvement.

When the minister replies, will he give the committee some illustration of the work this small business branch is doing at the present time? I should like to have something a little bit more detailed than what one reads in the report. I should like to know about the literature that is being published or the pamphlets and whether this literature or this publicity is available to members. Can he give us some idea of the nature of the inquiries, of the number of small business firms that have been served by advice, by literature or by information since the establishment of this branch in this department?

With those few brief remarks I conclude my words at this time, Mr. Chairman.

Mr. Granger: Trade and commerce historically have been the physical body of the nation. If national idealism and principles are the spirit of the nation, then trading is its blood and commerce its bone, and sinew. I may be pardoned for saying that I come from a province which for hundreds of years has depended for its very existence on trading. In the days before we entered confederation and became a part of the Canadian family, Newfoundland exported everything it produced. It imported practically everything it consumed. Since confederation we still export practically everything we produce and we buy practically all we consume from the mainland of Canada, most of it, of course, from the industrial provinces of central Canada.

If I may make a personal observation, I should like to say that I grew up in Catalina, a seaport on the east coast of Newfoundland. As a boy, in the days of sail, when our own ships carried our own products to the foreign markets, our horizons were Spain and Italy, Portugal and Greece and the islands of the Caribbean. If you walked down the streets at any time, you would rub shoulders with sailors who were just home from "across" as we referred to foreign markets, or who were getting ready to sail to foreign markets with fish. The means of shipping has changed and steam and diesel power and vessels of other registry carry our products today but the pattern of trade remains the same as it was. Hence trade and commerce is of vital importance to us in Newfoundland. It is important to those of my constituents who are fishermen, it is important to those of my constituents who are loggers, and to all who work and depend upon the production of pulp and paper for their livelihood. It is also important to the growing number of my constituents who are engaged in mining. Thus the Department of Trade and Commerce, to us in Newfoundland, the Atlantic provinces and all Canada, is one of the most important departments of government. This is because it is the basic department of government. I wish to congratulate the minister on his appointment as head of this department, although in a way I have lost a constituent from Gander.

I wish to speak particularly of the position relative to the marketing of salt codfish. I think I can say with assurance that Canada is not holding her own in this sphere.

Certainly the number of nations now engaged in fishing off our coasts, and the increasing pressure of competition from them—competition which we are feeling in our historic markets—indicates that we have slipped rather than made headway. I have felt for some time that insufficient attention has been paid to the selling of salt codfish. I believe there are not enough trade representatives detailed to sell this product.

The minister's department has some capable men who are doing very good work in this respect, but they are too few. I feel, also, that the fish business is not receiving the proportion of attention which it needs. I believe that an intense effort should be directed toward the sale of fish, the promotion of fish sales and the development of new markets. I believe that more officials are needed to get out in the various countries, promote fish sales and interest new customers. We should not be content to do business merely with our old customers.

We must keep our old customers, of course. We must sell them larger quantities of fish, if we can; but we must keep a weather eye open for new markets. In this respect I suggest that the potential of Africa as a market for Canadian fish should be explored. I think too, that the productivity council may be interested in the developing of new products, because it is possible that in order to develop new markets some change may have to be made in the type of product we are now offering for sale to the world.

If we are to obtain new markets and develop old ones it is perhaps important that we pay more attention to either new developments or perhaps a greater production of one type of salt codfish over another.

Certainly it seems that we are suffering a loss of sales by not producing more of what is generally known as light salted shore fish. In the past, light salted shore fish has been produced largely by hand labour, and sun dried. The cost of production is high. Heavily salted fish can be produced by artificial driers, or finished by them. The cost of production is cut down in this case.

It is very possible that we are producing, proportionately with the volume of sales now being made, too much of the heavy salted article and not sufficient of the light salted article.

However, in order to produce the light salted article economically it is necessary that a means of artificial production be evolved, and this is certainly possible. I mention this in passing because I know that in these modern days it is unrealistic to expect the old, traditional method of producing fish to be used successfully.

I do not think I should go into further detail on these estimates, but I will have something to say about this matter when the estimates of the Department of Fisheries come up later. However, I do think this has a direct bearing upon our trade and our trade potential.

It is possible that by not producing enough of this particular type of fish we are rapidly losing a potential market, because if a product which people have been used to buying over the years is cut off, or is withheld long enough, the demand will soon cease to exist. I ask the minister to bear this matter in mind.

I now come back to the question of the sale of fish. The fact is that Newfoundland and all the Atlantic provinces feel—and, I believe, justifiably—that there is not enough attention and serious effort put into the building up of the fish trade. It is felt there could be more effort in this direction.

Perhaps if the same attention were given to the development of trade in fish as is given to the sale of grain, for instance, the position of the industry would be vastly improved. Certainly we have an immense wealth of food in our Canadian waters. We have the product with which trade began in the new world.

The minister is undoubtedly aware of the fact that when John Cabot discovered Canada, on sighting Cape Bonavista on St. John's day, 1497, he discovered that the waters were full of fish. At the time, according to tradition, John Cabot was looking for gold and precious stones for Henry VII who had, shall I say, an orthodox sense of values. But John Cabot discovered fish instead of gold and jewels, and fish proved to be a greater source of wealth to England than gold or jewels would have been.

It is a matter of historic record that one year after the discovery of Canada, in 1498, British merchants were outfitting fishing ships and sending them to Canadian waters, to the waters of the new world, to develop a fishing trade. Pretty soon they were followed by the French, the Portuguese and the Spaniards. Competition became keen, and that pattern has continued to exist. These historic competitors are still fishing in the waters off the coast of Canada. They have been joined by many other nations today, including Russia. They have been developing and building up their fish trade to an extent perhaps never known before in history. They recognize the value of developing this great source of food.

Certainly we in Canada, where trading in fish began, can meet and beat this competition. The methods, the means and the brains all exist. It is just a matter of focusing them

on a very real problem. This is not only a Newfoundland problem, but it is an Atlantic provinces and a Canadian problem. We in the Atlantic provinces are among the best customers of central Canada. Newfoundland was at one time the third best customer of Canada. What she buys today from the mainland of Canada is very difficult to assess, but it would be more than she bought prior to confederation.

If it requires money, if it means the employing of more trade secretaries to increase our trade in fish, to build up the ancient trade and commerce of the new world, it will be a sound investment because it will mean the building up not only of the economy of Newfoundland and the Atlantic provinces but the creation of wealth in which all Canada would share. I ask the minister to take a very close and sympathetic look at the development of trade and commerce as it affects the fish industry and in particular the salt codfish industry. I should like him at the appropriate time to tell this committee what the department may be doing in this respect.

Mr. Bigg: Mr. Chairman, the Department of Trade and Commerce is fortunate in having the dynamic leadership of the new minister. Trade, as everyone knows, is the lifeblood of our nation, and I wish to speak principally today of just one product, oil.

We have to balance our trade with the other countries of the world and there is nothing which could balance the trade of Canada quicker than the development of our oil resources. I represent the great district of Athabasca and it should now be well known, if it is not already well known, that contained within the Athabasca district alone is the largest known deposit of crude oil on this planet. It has been conservatively estimated that anywhere from three hundred to five hundred billion barrels of oil at present lie in the sand hills there and are available whenever we are ready to take them out.

I should like to bring this to the attention of our new minister because one of these days the supply of world crude oil may suddenly be cut off from us. If proper steps are taken now—and I mean now—to tap this well nigh unlimited source, Canada and possibly the free world may be saved in time of crisis. But we have to get this plant going. It has to be financed. It has to be encouraged by the provision of both federal and provincial money. I think it would be an eternal disgrace to us if we left this, the largest oil deposit in the world, untapped and unready to be used.

It has been erroneously said on many occasions that this oil could not be taken out of the sand or that it would not be economic to take it out. Neither of these statements is correct. We have a well known process now for extracting this oil and there is only one bottleneck, namely the development of a suitable market for the product. But we have that market here in Canada if we were to take the proper steps to utilize it. The Montreal district alone uses in the neighbourhood of 80,000 barrels of heavy industrial fuel oil a day and I understand from properly informed source that if we had the benefit of this market in Athabasca we would go into full production. I know that we have at the present time very extensive plans in co-operation with our United States neighbours with reference to oil but I think we should take a long look at this situation and lay plans now for the development of the industry here.

We shall have to do it sooner or later. I do not think we want to be caught without oil at any time when it is physically available to us now. Cities Service Oil Company have a pilot plant going now at a cost of $1,500,000. They are working on an oil face which is very limited in extent but they could produce from this one cliff alone 80,000 barrels of oil a day for 60 years without moving their plant. Such figures are astronomical and it is hard to understand—the people up in my area certainly find it hard to understand—why more attention is not paid to these enormous deposits. We have the fresh water there. We have the oil itself to supply the fuel needs. We have the people of Canada willing to get in there and work, and I think we can expect the full co-operation of the Department of Trade and Commerce as soon as the province of Alberta gives the go-ahead to these far-sighted and progressive companies which are doing and wish to do the exploratory work.

This tar sand country is not only rich in oil but it has great potential for the delivery of many important by-products including sulphur, tar, salt and the crystal clear sand which remains after the process is completed; sand which would provide an excellent basis for a glass industry. I see the day when northern Alberta will become another Ruhr. All it will take is the planning and the financing which the companies concerned have already started—a progressive plan which they are looking to government at both federal and provincial levels to assist.

I see it is five o'clock, Mr. Chairman.

Progress reported.

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private and public bills, the former having precedence pursuant to section 3 of standing order 15 as provisionally amended.

Criminal Code

CRIMINAL CODE

AMENDMENT TO ABOLISH CAPITAL PUNISHMENT EXCEPT FOR TREASON

Mr. Frank McGee (York-Scarborough) moved the second reading of Bill No. C-21 to amend the Criminal Code (capital punishment).

He said: When the two-day debate on this bill concluded last February approximately 20 speakers had supported the opposite view to the one proposed in this measure. In fact, a clear majority of the members of the House of Commons had indicated their opposition to the bill and Gallup polls which were taken at the time when the debate took place indicated that a slight majority of the people of Canada shared that view. It is my purpose today to attempt to review the 20 speeches made by the retentionist group and to reply to the questions and objections which were raised to this bill.

I should like to put on the record certain information such as the Gallup poll results, which I mentioned earlier, and other information, in particular that dealing with the state of Delaware. The state of Delaware, as you will recall, sir, was mentioned in the debate last year as being a state which has most recently abolished capital punishment in the United States. One particularly interesting piece of information which I should like to place on the record today deals with a letter written to Senator Fred Farr, of the state of California. It will be recalled that about the time of the debate on my bill last year the Chessman case was very much in the news and the state of California was contemplating a debate on the merits of capital punishment at that time. Senator Farr apparently was a member of the legislative committee of the senate of the state of California and he wrote to the governor of the state of Delaware. The interesting thing about the questions he asked is that these are the questions or, if you like, the doubts which obviously were in the minds of hon. members of this house during the debate last year and during other debates in previous sessions. This letter written by Governor Caleb Beggs to Senator Farr, reads as follows:

> I acknowledge receipt of your telegram of March 7 which was received here on March 8. I regret that through a misunderstanding here a reply to your telegram was not sent for your hearing on March 9. However, I am only too pleased to answer your telegram and do so as follows:
>
> 1. Has abolition of death penalty increased homicide rate in your state?

The answer is as follows:

> Abolition has not increased the homicide rate in Delaware. Abolition became effective April 2, 1958. A comparison for 12 months prior to abolition with 12 months after showed no change in the homicide rate. The number of criminal homicides for 1958 was 12; for 1959 it had dropped to seven.

This, Mr. Speaker, of course, deals with the anticipated rise in the homicide rate which certain people suggest will follow abolition.

The second question reads:

> Does lack of capital punishment add to danger of police and other peace officers?

The answer is:

> There is no evidence whatsoever to show that attacks upon police officers have changed because of the absence of capital punishment. Actually in Delaware throughout the years we have had very few attacks upon police officers and there has been no change in this situation. After reviewing the evidence prior to the passage of the bill the superintendents of the state police and certain other police forces in the state in our larger cities took the position they would not oppose the passage of the bill for abolition.

The third question reads:

> Is there any substantial movement for restoration of death penalty?

The answer is:

> There is no movement whatsoever.

The fourth question reads:

> Has absence of death penalty made it harder or easier to obtain jury convictions in murder cases?

The answer is:

> We have had only a few murder trials since abolition. It is our belief that the jury is less reluctant to bring in a first degree verdict where the facts warrant it.

The fifth question reads:

> Has absence of death penalty in any way increased danger to public safety?

The answer is no.

The sixth question reads:

> Does absence of death penalty create security problem in prisons?

The answer is no.

The seventh question reads:

> Based on your experience, would you recommend abolition of death penalty by California?

The answer is:

> Our experience of two years since abolition has shown a decrease in the homicide rate. Based solely upon our experience, therefore, we can recommend abolition. Delaware's experience follows the pattern shown in all the studies that the removal of the death penalty does not increase the homicide rate.
>
> I trust that the above answers your inquiry and will be of service to you.

And so on.

This, Mr. Speaker, is another piece of the growing pile of evidence in answer to the understandable questions and doubts which are and still remain in the public mind.

The first hon. member who spoke against this bill in the debate last year was the

hon. member for Vancouver-Kingsway (Mr. Browne). In the early part of his remarks he said as reported at page 1195 of *Hansard* of February 18, 1960:

> I completely reject the arguments they have put forward.

He continued.

> It is rather surprising to me that people so far from public opinion could find themselves in the House of Commons.

This question of public opinion is a very interesting one indeed and particularly when you examine the trend of public opinion over the last few years. Public opinion polls were taken on this subject by the Canadian institute of public opinion in 1943, 1953, 1958 and 1960, which as I indicated before was shortly after the second day's debate of this bill last year. This was the question put:

> Some people say we should do away altogether with capital punishment; that is, executing a person for murder. Do you think we should or should not abolish capital punishment?

In 1943, 18 per cent replied that capital punishment should be abolished. In 1953, the figure had risen to 22 per cent; in 1958, it had risen to 33 per cent; and in 1960, it has risen to 41 per cent. Those who would retain capital punishment amounted to 73 per cent in 1943; 71 per cent in 1953; 52 per cent in 1958; and it was down to 51 per cent in 1960. The "no opinion" factor makes up the remainder. For the record, in 1943, they amounted to 9 per cent; in 1953, to 7 per cent; in 1958, to 15 per cent; and in 1960, to 8 per cent.

The indications are clear, Mr. Speaker, not only in these public opinion polls but in the actions of juries and in other manifestations across the country that there is a growing body of persons in this country who favour the abolition of capital punishment.

Mr. Browne (St. John's West): May I ask the hon. member a question. Were there public opinion polls taken in the same area and could the hon. member give the areas where they were taken?

Mr. McGee: I cannot answer the question completely but I will say these were taken right across the country. I imagine the hon. member might have reference to the fact that Newfoundland might have been included in later polls and not in other ones. I do know that these polls are accumulated on a four-region basis, the so-called Atlantic provinces region, the Quebec region, the Ontario region and the fourth region being western Canada.

It is interesting to point out that in the breakdown of these figures in the most recent poll there is very little difference between the Atlantic provinces, Quebec and Ontario in terms of for and against; the only difference being the larger group in western Canada who favour the retention of the death penalty.

The hon. member for Vancouver-Kingsway went on to say:

> The hon. member for Burnaby-Richmond (Mr. Drysdale) has on the order paper a bill which I believe comes a great deal closer to meeting the wishes of the people of Canada.

The bill of the hon. member for Burnaby-Richmond, which was patterned closely on the English homicide act of 1957, is a move toward abolition and an attempt to reduce the application of the death penalty.

Before hon. members become too enamoured of the British experience, I should like to point out in passing that some serious difficulties have been encountered in England with this measure which, as hon. members well know, attempts to set up five categories of murder which are defined as capital murder, all other grounds being punishable by life imprisonment. One category, for instance, is the committing of a murder in the process of a theft. Another category involves a murder using a gun or a bomb. Another category is a second murder. Another category is killing a policeman or prison guard, and so on.

This attempt to stop part way along the road to abolition has produced some serious contradictions. One of these was described by Gerald Gardiner, Q.C., who happens to be the head of the British society for the abolition of capital punishment. In a speech recently he had this to say:

> For instance, if a man comes home and finds his wife with another man and picks up the nearest weapon to murder her, it is a capital offence if that weapon happens to be a gun, but a non-capital offence if it is a hatchet.

I might add there, Mr. Speaker, that presumably if the type of crime is determined by the weapon chosen a man could boil his wife in oil, strap her to a board in the style of "The Perils of Pauline" and run her into a buzz saw or use any other sort of peculiar and unusual method to commit murder and if he adopts any of these quaint methods he cannot be hanged whereas if he happens to use a gun he will hang. Mr. Gardiner goes on to say:

> If someone rapes a woman and steals her handbag, it is a capital offence; if he does not steal her handbag, it is non-capital.

Contradictions and difficulties have evolved in reaching and determining the point in the degree of culpability of murder at which a person shall be hanged. When you draw that line a case which qualifies for capital punishment will differ so infinitesimally from one just on the other side of the line that for all practical purposes there is no real difference.

I offer this also as a word of caution and advice to the Minister of Justice (Mr. Fulton) and the cabinet because, as hon. members know, they are preparing a bill to limit the application of capital punishment which will be presented to the house later this session.

The hon. member for Vancouver-Kingsway went on to say, as found on page 1195 of *Hansard* for February 18, 1960:

> —having regard to the protection of our police officers, surely common sense would tell us that, if a man has committed a crime where he is going to be committed to life imprisonment, is being apprehended by a police officer and is armed, there is going to be the temptation for him, knowing that he can escape, knowing that if he shoots the police officer he can be no worse off than he was before. Surely it is going to act as a deterrent to that man if he knows he is going to be hanged, something which is considerably more abhorrent to him than is life imprisonment in most cases.

This is one of these apparently attractive arguments held by those who would retain the death penalty. The hon. member for Vancouver-Kingsway and others have tried to get inside the mind of the potential murderer and have reached certain conclusions about what his reaction will or will not be. I am certainly voicing no suggestion that I can make any better evaluation of what goes on inside a criminal's mind, but I would say to the hon. members who hold this view that if they examine the 42 jurisdictions —I mean countries and states within countries where capital punishment is a matter of state jurisdiction—they will find that when capital punishment has been abolished the incidence of murder, as indicated in the letter of the governor of the state of Delaware, has not risen suddenly.

Mr. McPhillips: But you have got lynching.

Mr. McGee: Further on in his remarks the hon. member for Vancouver-Kingsway said:

> I believe that one of the things the public do not like about our present system is the hanging, and perhaps some other method of carrying out the death penalty should be instituted—

I suggest that this particular facet of the argument is in one sense beside the point and certainly in another sense it is inconsistent. Those who favour the retention of the death penalty by means of hanging put forward the argument that the menacing quality of death by this means forms the essential deterrent. That is the deterrent argument, but if hanging is something which is unacceptable to many people I cannot understand why a person advocating the retention of the death penalty would want to lessen the menacing character of that deterrent. It seems to me that the hon. member is on two sides of the argument at the same time.

The next speaker in the debate to whom I wish to refer was the hon. member for Dollard (Mr. Rouleau). I must say that in preparing my speech one suggestion occurred to me which I might throw in at this point. I suggest it might be more desirable to have one completely English *Hansard* and another completely in French. I find that skipping backward and forward between translations and coming back to the place where I started is difficult. The hon. member for Dollard made this statement, as found on page 1204 of *Hansard* for February 18, 1960:

> In my opinion, Mr. Speaker, if public opinion is divided about the abolition of capital punishment, we should be even more cautious about this matter than we have been in the case of a Canadian flag.

Without meaning to be facetious, I would say it would be hard to be more cautious than that. The hon. member went on to say that a joint committee of the House of Commons and the Senate was established to consider the advisability of abolishing capital punishment. The decision of that committee, as you know, Mr. Speaker, was that for the time being it should be retained. I came across some information concerning that decision which I found rather unusual. Apparently it is the only committee in the history of the House of Commons to take its final vote on the basis of telegrams from all parts of the country. However, the committee certainly reflected public opinion at that time which indicated, as I said, that 71 per cent of the people of Canada favoured that proposition.

References were made to the fact that a private member should have brought forward such a bill. The hon. member for Dollard made such a reference and it was repeated by a number of his colleagues in the Liberal party. It seems to me that this attitude overlooks the essential function of parliament as a debating forum. Surely the debate that took place on the bill caused considerable discussion both in the house and throughout the country and as a result the government, whose function it is to assess and evaluate public opinion, was assisted tremendously.

The hon. member also made the statement that we must not forget the victims or the dependents of the victims. This was a trend in the debate which the hon. member for Dollard started and which gathered force as the debate continued on the second day. Speaker after speaker called out for sympathy, consideration and compassion for the victims of murder and their dependents. Certainly, the impression I gained in view of the rather loud applause which accompanied these continual references was that those of us who favoured the abolition of capital

punishment were lacking in sympathy, understanding and appreciation of the plight of those people who remained.

I would remind the hon. member for Dollard, as well as other hon. members, that the first words I uttered in this debate were that I was not prompted by any lack of sympathy for the unfortunate victims of murder and their dependents, nor was I overly sympathetic to the accused. This rather unfortunate trend in the debate certainly was not accompanied by any positive suggestions from the retentionists to do something about the widows and orphans of the victims of murder.

I should like to put a suggestion before the house and the record will show that it was an abolitionist who put forward this proposal. A proposal has been circulated in England in these terms. In the case of murder, why should not the person responsible for the damage to the family of the victim be required to pay compensation in the same way as he would be if he were driving a car and, through negligence, killed somebody? The courts could decide that certain damages would be awarded to the victim or his dependents. It seems to me there is much merit in a proposal to have those found guilty of murder sentenced to life imprisonment in an institution where some money earning occupation could be undertaken. The money earned could be placed in a fund from which could be drawn money to assist, in a practical way, the victims and their dependents who may be in need.

Another factor worthy of consideration is that a fund could also be provided from which assistance could be given to the accused's family and children who may be in need. As I say, I am not putting this forward in any concrete form, but it seems to me this proposal is constructive and demonstrates some real interest and concern for the victims of murder and their dependents.

The hon. member went on to quote from the Bible. Many members on both sides of this question quoted from both the Old and the New Testaments in support of the views that they took. I do not want to make any reference to those questions now, but I would refer hon. members to the speech of the hon. member for Vancouver East (Mr. Winch) who, after studying the representations on both sides of this question, found an equal number of biblical quotations which were applicable to each side of the argument.

In concluding this portion of my statement, Mr. Speaker, may I point out that the hon. member said that capital punishment does not reflect any desire for revenge on the part of the public. I should like to agree with the hon. member in that connection but, as I have mentioned before, I am forced to conclude there is some element of revenge in the public attitude. A little while ago, I heard an hon. member shouting for a lynching and I have heard statements in buses and in the office following a particularly heinous murder that "hanging is too good for him; I should like to pull the rope myself".

This fact was never better illustrated than recently in New York when a person accused of raping and killing a child in that city was captured after an extensive search. A throng gathered outside the prison in which he was being held and many of these persons carried placards or shouted slogans.

I should like to read into the record some of the statements to indicate the feelings that may be aroused and ask you, Mr. Speaker, if perhaps revenge is not an element of the public's attitude. One person carried a sign reading, "The electric chair is too good for him; he should be burned alive." Another read, "I wanted to get him myself. The electric chair is too good for him. I'd like to set him on fire." Still another read, "We want to kill him piece by piece—not all at once."

I had a very interesting conversation with a member of the press gallery, who shall be nameless, over a cup of coffee today. He thought candidates for the gallows should be whipped every day before the hanging took place. As I say, Mr. Speaker, there is an ingredient in the public mind which would lead one to believe that revenge is an element of the public attitude toward these cases.

At that point in the debate the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) made an interjection which he later withdrew but which was raised again still later in the debate. He asked the hon. member for St. Boniface (Mr. Regnier) whether or not he was aware that before a trial took place each individual called to serve as a juror has to state whether he is opposed to the death penalty. I interjected to say that was not so. As I say, the hon. member corrected that statement later, but the subject did come up again. I think a statement to the effect this is not so should form part of the record of this house. It has been so in certain cases where the prosecution has seen fit to question individuals as they were reviewed before being selected for jury duty, but certainly there is no requirement that this be done.

Mr. Deschatelets: Would the hon. member permit a question at this time? I think he will agree that when a prospective juror is called in these cases and he declares he is against the death penalty, he cannot serve on the panel of jurors?

Mr. McGee: As I indicated, this has happened. I believe it happened recently in Hull, and I also recall another occasion when a judge decided that one particular gentleman who put forward that view was, in a sense, malingering. The judge evidently thought this was an excuse to avoid duty. At that point the judge, in effect, I suppose, called him a liar and the man took his place on the jury. The point I wished to make was that there is no requirement that a statement of belief concerning capital judgment should be made.

The hon. member for Mount Royal (Mr. Macnaughton) was the next one to say something about this question of commutation and the number of commutations which had been granted by the present government as compared with its predecessor. This, Mr. Speaker, affords me the opportunity of correcting another public impression. I shall not attempt to deal with the pattern and the place in our system served by commutation, but I should like to put into the record a statement by no less a person than Dean Wright of the University of Toronto law school. I must say that I was astonished to find a person in his position who, apparently, is not aware of how the law functions in Canada. When being interviewed by Mr. Howie Somerville on C.B.C.-T.V. he was asked the following question:

> What impact is the federal government's policy of commuting the death sentence having on Canada generally?

Dean Wright replied:

> It is obviously limiting capital punishment in a very real sense. While your opinion on capital punishment is purely a question of personal conviction, you cannot say it is right or wrong.

And this is the statement with which I took issue.

> I think it is definitely wrong for the cabinet to allow the courts to impose the death penalty, put a man in jeopardy of losing his life and then come along and disregard the letter of the law by following an entirely different policy.

I think you will agree, Mr. Speaker, that this is an astonishing statement to have been made by a dean of a law society.

The hon. member for Charlotte (Mr. Stewart) followed and made a speech in which he made certain statements. I should like to apologize in part for the number of interjections I made at that time. I think the hon. member perhaps misread my intention. In outlining the safeguards inherent in our system he was making the statement that any person with good standing in a community is guaranteed a fair trial, and there followed a series of exchanges during which I tried to get him to amend that statement because it certainly was not consistent with any definition of a fair trial. Finally, he said:

> ... any person in the community is entitled to a fair trial and will get a fair trial if he is of decent standing.

It was the qualification "of decent standing" with which I took issue. As I say, in our philosophy of law or in the concept of law, as I know it, there certainly are not and certainly should not be any conditions attached to the persons in our society who are entitled to and guaranteed a fair trial. However, the hon. member proceeded—

Mr. Stewart: May I point out that the hon. member is not quoting me correctly. I did not use the word "guaranteed" at the time.

Mr. McGee: I beg the hon. member's pardon. That was one of the questions that arose.

Mr. Stewart: Quote me correctly.

Mr. McGee: His statement was:

> ... any person in the community who is entitled to a fair trial will get a fair trial if he is of decent standing.

I apologize. This is the statement that was made. However, the hon. member did come to grips with the propositions which I and other members put forward and he dealt with them point by point. He said that the first point I had raised was that capital punishment was not an effective deterrent. In reading back over my remarks I again say that does not square with what I said. I said that the point at issue here is whether capital punishment is a unique deterrent, whether there is something in the death penalty that makes it the only answer as a penalty for the crime of murder.

The whole argument with regard to deterrents in this debate has been that life imprisonment is a satisfactory alternative and has been demonstrated to be a satisfactory alternative by the experience of other countries, in some cases going back over 100 years.

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

Mr. McGee: Yes.

Mr. Drysdale: One of the things that troubles me with regard to the hon. member's original statement in connection with life imprisonment is this, and I do not believe he clarified it at that particular point. By life imprisonment does he mean imprisonment for a person's natural life? The reason I am curious about that matter is this. He said that we can never be sure that everybody being hanged really committed a crime, but we may occasionally make a mistake. If the hon. member were going to be logical it appears to me that the converse would be true, namely that

once a person has exhibited a tendency to kill, perhaps we could never be sure, if we released such a person, that he might not kill again.

Mr. McGrath: On a point of order, Mr. Speaker, may I say that the hon. member is not rising in his own place.

Mr. Speaker: If the hon. member who rose is not the hon. member for Beauharnois-Salaberry, the point of order is well taken. This is a point of order which should be observed. The hon. member is not in his seat and is not entitled, in the house, to speak except from his seat.

Mr. Drysdale: With respect, Mr. Speaker, I should like to challenge that point of order but perhaps at some other time.

Mr. Johnson: Could we remain on the point of order, Mr. Speaker, until the hon. member is able to reach his place and carry on with his question?

Mr. McGee: I should like to reply. At one point in the earlier stages of this debate I stated that I would accept as an alternative for capital punishment the punishment of imprisonment for life. That would mean that anybody convicted of murder would go to a special institution from which he would never be released unless some new evidence might be produced which would cast doubt on the original conviction. That was the view I held at that time.

During the interval that has elapsed since giving expression to that view a 14 year old boy by the name of Stephen Trescott was sentenced to be hanged. His sentence was very properly commuted. I have had second thoughts about that original proposition, attractive though it might have been in terms of gathering support for my bill. I simply could not convince myself that our society and our penal institutions have nothing more constructive to do with a 14 year old child than to put him in a cell and throw away the key. I find that I am not willing to accept that to be the case.

In the speech I made last year I said that the general criteria concerning the incarceration of convicted murderers should be based on the following general proposition, namely that no person convicted of murder should be released from custody in a correctional institution so long as his retention therein is essential to the welfare and safety of society and/or to his reformation or rehabilitation. Those would be the general standards which I would offer to those who would be working out the particular details.

Mr. Drysdale: Will the hon. member permit a question for clarification?

Mr. McGee: Yes.

Mr. Drysdale: With respect, Mr. Speaker, I would suggest that in the present standing orders there is no provision indicating from what seat I should speak. However, I should like to take this matter up at some other time.

I wonder whether the hon. member will permit a question in reference to the statement he has made. Is it not logically inconsistent with the statement he has made that people should not be hanged because it is possible, through all the procedural methods, for some mistake to be made? Is not the converse true? Is it not possible that a mistake might still be made with respect to a person who has been incarcerated for life? Therefore, if he wishes to be logical in the one case, should not the person be kept in for the period of his natural life?

Mr. McGee: I agree. As I say, in order to be completely logical and consistent I should hold both views on both sides. But again I perhaps will reply by asking a question, a procedure which possibly is not a good debating tactic. However, I simply ask the hon. member this question. Does he not share my view that our penal institutions can have something more constructive to do than to lock up a 14 year old boy in a cell and throw away the key? As I say, I recognize that I have weakened my position or have given rise to the difficulties expressed by the hon. member. But those are my views as I hold them.

The next point raised by the hon. member for Charlotte was that capital punishment was morally wrong. This gives me an opportunity to clarify the record in another respect.

On February 18 a story appeared in the Ottawa *Citizen*, the heading of which read as follows:

> Duty of the State to Hang Murderers, R.C.'s Insist.

This heading was clearly not consistent with the content of that story and the release by the Canadian Catholic conference. This story was picked up and transmitted across the country, and as far as I have been able to determine this heading remained intact.

I heard earlier today that in fact the story was challenged by a number of letters to the *Citizen* and a correction was issued. I suggest this was in the terms of corrections to other news stories; it did not have the impact and coverage which the story originally received.

Mr. Speaker: I am sorry to interrupt the hon. member but I must inform him that his time has expired.

Mr. Stewart: Mr. Speaker, may I ask the hon. member a question?

Mr. Speaker: I am sorry; the hon. member's time has expired. Without the consent of the house he has no time in which to answer a question.

Is it agreed that the hon. member who is moving this motion shall have additional time?

Some hon. Members: Agreed.

Mr. Howard: Mr. Speaker, normally this would be quite agreeable, but I think it does place in an unfortunate position hon. members who wish to answer some of the points raised by the hon. member for York-Scarborough (Mr. McGee). We have only a limited time available. I am not adverse to the hon. member proceeding for a few more moments, but I would not want this to cut off entirely the opportunity for other hon. members to speak.

Mr. Speaker: I take it that the hon. member has the concurrence of the house to continuing for, shall we say five minutes?

Some hon. Members: Agreed.

Mr. Howard: Mr. Speaker, I do not know what the hon. member for York-Scarborough has in mind so far as time is concerned.

Mr. McGee: On a point of order, Mr. Speaker, I discussed this matter previously with several hon. members of the party to which the hon. member belongs. I indicated to them that it was my desire to try and complete an argument to rebut the great number of speeches made last year. That request was acceded to at that time.

Mr. Howard: That does not answer the question about the amount of time the hon. member requires.

Mr. Speaker: Order. The matter raised is not a point of order. The hon. member has 40 minutes in which to speak, except by unanimous consent of the house. Is there unanimous consent that the hon. member may proceed?

Some hon. Members: Agreed.

Mr. McGee: Mr. Speaker, I should like to thank the house. As I was saying, this statement was repeated and reissued. It was corrected by the Ottawa *Citizen*. Mr. Ed Mahoney, who has since graduated from the press gallery to editorial writer for the Toronto *Telegram*, was sufficiently concerned about the misconception involved in this statement that he approached this group and placed on the record of his own newspaper, and I presume others, the following statement:

"The state possesses authority from God to take the life of a criminal only when such a penalty is necessary to preserve the common good of all.

[Mr. Stewart.]

"If it should be discovered that long imprisonment serves equally well in deterring crime, then the death penalty would have to be abolished, for as soon as the need for it ceases, the state no longer possesses God's authority to use it".

Mr. Stewart: Would the hon. member permit a question? Did I understand the hon. member to say that I contended that capital punishment was morally wrong?

Mr. McGee: No, Mr. Speaker. I simply used the hon. member's reference to the question of morality in order to correct the record. If the hon. member would like to check his remarks, they are to be found on page 1210 of *Hansard* for February 18, 1960. Perhaps the hon. member would allow this reference to stand for those who are interested in following this matter through.

The hon. member then went on to say:

Then the third argument was that we hang convicted murderers with a feeling of revenge.

I dealt with several of the points raised on that matter earlier in my remarks, and I do not propose to pursue it further.

The hon. member went on to say:

Apparently the hon. member for York-Scarborough has forgotten those many safeguards which British and Canadian law provide for a person accused of a criminal charge.

I made it clear on previous occasions that I have the greatest respect for our judicial system. This was impressed upon me at every turn in my experience of serving on two successive murder juries. I am impressed by the British system and also others.

I suggest that the hon. member and others might find it more than interesting to read a book called "10 Rillington Place" written by Ludovic Kennedy and published by Gollancz press in England. This book deals with the evidence in the Christie case.

Hon. members will recall that in England a few years ago a man called Evans was arrested and charged with the murder of his wife and child. He was brought before the courts. The chief witness for the prosecution was a man called Christie, Evans' landlord at 10 Rillington Place. Evans was hanged.

A few years later Mr. Christie ran foul of the law and it was discovered that there were a number of bodies buried in his backyard. He had a number of bodies under the floor and a number walled up in the walls of the house. The victims included persons who had obviously been murdered before and after the departure of Evans. The method of murder followed an identical pattern throughout.

Christie was eventually hanged. I offer this case simply as one example where grave, grave, grave doubts have been raised concerning the guilt or innocence of Evans. An inquiry

was held, and requests have been made for a further inquiry into the facts surrounding this case in order to determine whether Evans was guilty or innocent.

Mr. McCleave: Mr. Speaker, would the hon. member permit a question? Is it not a fact that Evans confessed? He later retracted that confession, but he did make a confession.

Mr. McGee: In reply to the hon. member I should say that I sat up reading this book until about two o'clock the morning before last. I got about half-way through, and at the point when I put the book down reluctantly I think I was reading Evans' fifth confession. All his confessions differed materially.

Evans was a man with a mental age of 10½ years. He could neither read nor write. The strong suggestion of the defence and others who inquired into this matter was that the language and pattern of those confessions were dictated by the police to suit facts of which they had knowledge at that time.

However, I commend the book to the hon. member. If the second half is as fascinating as the first half, he will find it extremely interesting. And perhaps there are a couple more confessions which may vary as well; I do not know.

I should like to agree with the hon. member for Charlotte. We have an impressive judicial system, but it is a system made up of human beings. There are impressive guarantees in our system, but as long as human beings are human beings, mistakes will be made; and mistakes have been made.

The hon. member went on to discuss the question of deterrent. He said:

> Whether or not capital punishment is a deterrent or a sufficient deterrent is a matter of opinion. In my opinion it acts as a deterrent to the professionals who plan the crimes they commit—

Again, Mr. Speaker, there is considerable evidence to the contrary. This deterrent argument is not sound, because there are people in our society who have accumulated their motives, selected their victims and proceeded to commit murder.

The suggestion is that they are restrained from committing murder only because of the existence of the rope. If this seemingly plausible argument is sound, surely if the deterrent and the threat of the rope is removed the incidence of murder will increase.

The hon. member for Calgary South (Mr. Smith) was next to speak on this subject. He put forward a very cogent argument. He challenged my submission to the house that the onus, or responsibility of proving the case that capital punishment is necessary rests upon those who would retain it. I repeat that statement. I offer again the accumulated evidence of 100 years, for this matter is no longer in the experimental stage. I submit that we are hanging persons for murder, and unless we can demonstrate the necessity for so doing I find it difficult to understand why support for it continues.

The hon. member for Calgary South made reference to certain increases in the crime rate in the interval when capital punishment was suspended. He quoted a figure of 14.8 per cent at one point during that interval. I am prepared to accept that statistic as being possible but I should also like to refer him and the house to the pattern of the crime rate during the 18-month period before abolition, the period during abolition and the period immediately after abolition. I think the figures are 285 before, 260 during and 310 or so following. This indicates that although there may have been a slight increase within the period, as an experimental period it supported the abolitionist contention.

The hon. member concluded his speech by making reference to the theme that those of us who would abolish capital punishment are not concerned with the victims, and an impressive statement it was. Again I would remind the house that all through those debates the only constructive efforts which were put forward to provide in a tangible way for an approach to this question came from those who would abolish the death penalty.

The hon. member went on to say that we were being asked to abolish a provision which had made Canada relatively free of crime as compared with other countries. Here we come to an old argument. The hon. member says we should retain capital punishment because our crime rate is low. Persons writing to me from Toronto and Montreal where crime rates have increased say we cannot abolish the death penalty because crime rates are increasing. As I said last year in the debate, one cannot have it both ways. It cannot be argued that we should retain the death penalty because the crime rate is decreasing while at the same time arguing that we should retain it now that the crime rate is going up.

One other matter which I wanted to cover was raised by the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) who also had a motion or a bill on the order paper; it may still be there. The hon. member had this to say. He said that we had in Canada partially abolished capital punishment, and then he went on to suggest that we should consider leaving the judges free to inflict the death penalty or to condemn those accused to life sentences according to the gravity or the circumstances of the crime.

It seems to me that this proposal fails on two important grounds. It fails on the one hand because it attempts to pass the buck—in other words it asks somebody other than

parliament to render a decision on capital punishment. The second shortcoming of the proposal is this. It seems to me that after a relatively short period—a year or so—a pattern would emerge. Certain judges would be known as hanging judges and certain others would be known as non-hanging judges. It seems to me that the variations in the equal treatment of persons who appear before the courts are sufficient at present without adding this extra factor where the decision as to whether a man lives or dies would depend on the judge selected to try the case. I think on these two grounds the proposition fails.

Mr. Howard: May I ask the hon. member a question? I preface it by saying it deals with the indication in the speech from the throne that the minister himself will bring in some amendment regarding capital punishment. I wonder what the hon. member's thoughts are concerning the probable comments of his colleagues who were either vehemently opposed to or in favour of capital punishment. How does he think they will vote when the minister presents his bill?

Mr. McGee: I am not prepared to speak for anybody in this house apart from myself, but if that bill develops so as to limit the application of the death penalty I would certainly support it as a measure moving towards abolition. I pointed out earlier in my remarks some of the difficulties which have been encountered in the United Kingdom in attempting to stop half way; but it strikes me as reminiscent of a young fellow in our gang as a youngster who every time the score was going against him in a ball game took his ball and went home. I would not like to be in that position. I would support any move toward abolition. I feel that the public attitude and public opinion on this matter will ultimately be such that we shall see capital punishment abolished.

Mr. Speaker: Six o'clock.

Before adjourning the house I should like to say that the adjournment which I propose will be on the basis that the house accepts local official time. As we go on to daylight saving time next week the adjournment will be on the basis of daylight saving time.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the leader of the house if there is any change in the order of business which is being announced?

Mr. Churchill: No, Mr. Speaker, there is no change.

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

ANSWER TO QUESTION

The following answer, deposited with the Clerk of the house, is printed in the official report of debates pursuant to standing order 39:

N.H.A.—REPOSSESSION OF HOMES

Question No. 196—**Mr. Argue:**

How many homes, if any, purchased under the National Housing Act have been repossessed, by years since 1950, in (a) the Hamilton area (b) Ontario (c) Canada?

Answer by: **Hon. D. J. Walker (Minister of Public Works):**

(a), (b) and (c)

	Question		
	Hamilton Area	Ontario	Canada
1950	1	1	7
1951	1	2	13
1952	0	6	13
1953	0	3	8
1954	0	6	18
1955	0	3	7
1956	0	8	9
1957	0	13	18
1958	0	7	18
1959	1	29	50
1960	1	121	211
Total	4	199	372

HOUSE OF COMMONS

Monday, May 1, 1961

The house met at 11 a.m.

HOUSE OF COMMONS

DELAYED FILING OF PARLIAMENTARY DOCUMENTS

Mr. Speaker: Hon. members will find on their desks the report of debates and *Routine Proceedings and Orders of the Day*. I trust that hon. members will be content to put up with the inconvenience of not having these documents filed out of regard for the page boys and their schooling in these extended hours we are sitting. If hon. members will leave these papers on their desks at noon, they will be filed during the luncheon recess.

EXTERNAL AFFAIRS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. H. O. White (Middlesex East) presented the second report of the standing committee on external affairs, and asked for unanimous consent to move that the report be concurred in.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, on that point I should like to indicate that it is going to be extremely difficult if not at some times impossible for those who sit on this side of the house to attend the meetings of this committee at the same time as the house is sitting, and I wish to draw your attention—

Mr. Speaker: Order. Would the hon. member defer his remarks until a motion is made later on. The house may not give consent to the motion being moved. If it does the matter may be raised when the motion is moved.

Has the hon. member unanimous consent to make this motion?

Mr. Chevrier: Mr. Speaker, I rise to reiterate what I said earlier in connection with this report which seeks the authority of the house to sit while the house is sitting. I say it is going to be nigh impossible for those of us who sit on this side to attend the meetings of this committee and I presume the meetings of other committees which will follow and which will sit while the house is sitting.

I have in my hand *Votes and Proceedings* for Friday, April 28, and for Tuesday, May 2. I see that there are no less than seven committees that will be sitting from 9.30 a.m. until 11 o'clock, I take it, and then afterward while the house is sitting. Certainly the committee for which authority is sought now will sit while the house is sitting. I wish to reiterate that this is not in keeping with the best traditions of the house.

Mr. Speaker: Does the hon. member object to the motion being moved?

Mr. Chevrier: No, Mr. Speaker.

Mr. Speaker: What the hon. member for Laurier has said will be taken into account in connection with the motion.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the members of this group, in principle, are strongly opposed to committees meeting while the house is sitting. However, there are very special and particular circumstances in connection with the meetings of this committee. First of all, the committee recognizes the demands on the time of the Secretary of State for External Affairs. In fairness to him I think we must give some consideration to that matter and to his necessary absences from Ottawa on extremely important business.

In the second place, it is possible that during the period while this committee is sitting, some witnesses may wish to come and give evidence before the committee who have to travel a distance of over 2,000 miles. The committee thought we should have this provision in order to suit their convenience and also their pocketbooks in so obliging.

Motion agreed to.

FISHERIES ACT

AMENDMENTS TO EFFECT GENERAL REVISION

Hon. J. A. MacLean (Minister of Fisheries) moved for leave to introduce Bill No. C-86, to amend the Fisheries Act.

Mr. Pickersgill: Explain.

Mr. MacLean: Mr. Speaker, if any explanation is necessary at this time, may I say that this is a general revision of the Fisheries Act. It changes a number of the present sections. Among other things, it removes the power of a fisheries officer to act as a justice of the peace. It will amend the section which

categorically prohibits certain Canadian fishing vessels from fishing within the first nine miles of the high seas adjacent to Canadian territorial waters in the maritime provinces. It extends the application of the act to the high seas as far as Canadian vessels are concerned. It repeals certain sections that no longer have any practical application.

Motion agreed to and bill read the first time.

FARM IMPROVEMENT LOANS ACT

AMENDMENT TO INCREASE MAXIMUM AMOUNT OF BANK LOANS

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

That it is expedient to introduce a measure to amend the Farm Improvement Loans Act to provide that the maximum amount of bank loans made during the period ending on the 30th day of June, 1962 shall be four hundred million dollars, an increase of one hundred million dollars.

Motion agreed to.

MOTIONS FOR PAPERS

CANAL CHANNELING, PITT RIVER-BURRARD INLET

Motion No. 112—**Mr. Regier:**

For a copy of all reports and maps submitted to the government by the Fraser river board (formerly known as the Fraser river basin board) as to the possibilities of channeling the Pitt river into Burrard inlet by way of a canal.

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, the only information with respect to channeling between Pitt river and Burrard inlet that has been submitted to the government by the Fraser river board is contained in the board's interim report of 1956 and the board's preliminary report dated October 31, 1958.

This latter report has already been tabled by my predecessor on January 20, 1959, who made a brief statement at that time as reported in *Hansard* of that date. There is another report, the Fraser river board's report of 1956. I understand that a number of hon. members, including the hon. member for Burnaby-Coquitlam (Mr. Regier), have been given a copy of this report, but I should be quite happy to table it if this is the wish of the hon. member.

Mr. Regier: Yes, Mr. Speaker, I should like to have it tabled.

Mr. Speaker: In view of the explanation, does the hon. member wish to drop his motion?

[Mr. MacLean (Queens).]

Mr. Regier: If the minister is going to let me have a look at the report.

Mr. Pickersgill: On the point raised, Mr. Speaker, since the minister is prepared to table the document I think the motion should be carried and the document tabled in accordance with the motion.

Mr. Speaker: Would the mover prefer to have the motion put?

Mr. Regier: Yes.

Motion agreed to.

COMBINES BRANCH REPORT ON NEW DRUGS

Motion No. 113—**Mr. Howard:**

For a copy of the statement of evidence by the combines investigation branch regarding the selling and pricing policies of certain pharmaceutical houses in respect of new types of drugs.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I wonder whether the hon. member would permit this motion to stand until the next day motions arise.

Mr. Howard: I should be glad to, Mr. Speaker.

Motion stands.

AIR ROUTE SURVEY AND INDUSTRY STUDY

Motion No. 114—**Mr. Chevrier:**

For a copy of the report of the air transport board consequent upon a survey made of domestic and international air routes and a study into the air industry following public hearings held at different areas in Canada.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, no report such as has been requested has been made by the air transport board. However, the board has from time to time made the customary reports on domestic and international policy matters, and an interdepartmental report has also been prepared for study by the government. These are of course privileged documents.

As regards public hearings in Canada, the air transport board, following a staff study of regional air carriers, has held a series of public hearings in eastern Canada and will shortly hold additional hearings in the western regions in the near future. For this reason I wonder whether my hon. friend would consider withdrawing his motion.

Mr. Chevrier: Agreed.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

QUEEN'S REGULATIONS AND ORDERS, R.C.N.

Motion No. 115—**Mr. Regier:**

For a copy of the Queen's regulations and orders for the Royal Canadian Navy.

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, the Queen's regulations and orders for the Royal Canadian Navy is a public document, available from the Queen's printer. I understand the parliamentary library does not have a copy of these regulations but it could, if the hon. member asked for it, borrow the document from the national defence library for him.

Mr. Regier: That will be satisfactory, Mr. Speaker.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

EXTERNAL AFFAIRS

LAOS—INQUIRY AS TO CURRENT SITUATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether he could report to the house on the deterioration in the situation in Laos and its possible effect on the work of the international commission, of which Canada is a member.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, as the Leader of the Opposition knows, no agreement has yet been reached between the parties to the Laotian conflict on a cease fire. It seems possible, however, from the most recent reports that a meeting for this purpose may be held today.

The international commission for supervision and control in Laos held its opening meeting in New Delhi on Friday, April 28. A message from the Prime Minister (Mr. Diefenbaker) was read to the meeting by the Canadian commissioner, Mr. Léon Mayrand. Perhaps the house would agree that the text of this message should be printed as an appendix to *Hansard*. The commission later discussed the report which it will make to the co-chairmen concerning its immediate tasks and functions. I hope that agreement on this report will be reached at a further meeting of the commission to be held today, and that the report will immediately be dispatched to the governments of the United Kingdom and the Soviet union.

Hon. members will of course realize that I am not in a position at this stage to discuss the contents of this report but I think there is a reasonable chance that the report will be agreed to by the various governments represented on the commission and that it will urge that the commission be sent to Laos as quickly as possible.

Mr. Speaker: Does the house give consent to the suggestion that the document referred to be printed as an appendix to *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: For text of document above referred to, see appendix.*]

INQUIRY FOR RETURN

TABLE OF DISABILITIES, PENSION ACT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Veterans Affairs. On March 27 the house unanimously approved motion No. 93 ordering the production of the table of disabilities. Would the minister mind checking to see why it has taken so long to table what is a routine document in the hands of the pension commission?

Hon. Gordon Churchill (Minister of Veterans Affairs): I will so so, Mr. Speaker.

INDUSTRY

SHIPBUILDING—REPORTED DELAYS PENDING NEW LEGISLATION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I ask the Acting Prime Minister whether the long delayed legislation to assist the shipbuilding industry, which has been announced on more than one occasion in the house, will be made retroactive to the date of its announcement.

Hon. Howard C. Green (Acting Prime Minister): It will not be possible to answer that question today. As a matter of fact I think the hon. member for Laurier would agree that it would be unusual for a statement of that kind to be made prior to the actual introduction of the legislation.

Mr. Chevrier: The question was prompted by the fact that the Prime Minister in announcing legislation the other day listed a number of items but said nothing about legislation to assist the shipbuilding industry.

Mr. Green: I shall have the question looked into further.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Is the Acting Prime Minister aware of the fact—and it is a fact—that a good many plans for shipbuilding are being held up, and have been held up for some months, pending a decision as to what the government intends to do about this legislation, and that this is having an adverse effect on employment particularly in an area of great interest to the minister?

Inquiries of the Ministry

Mr. Green: I suggest the hon. member is now just making a little political speech and not asking a question.

Mr. Pickersgill: On the point of order raised by the Acting Prime Minister, which I think is in disagreement with the ruling Your Honour made on Friday, I would point out that I asked the hon. gentleman if he is aware of the fact that shipbuilding is being held up, particularly on the west coast.

Mr. Speaker: I think perhaps the odds are even.

(Translation):

Mr. Chevrier: Mr. Speaker, I have a supplementary question for the Minister of Transport. Has the minister read the statement made by an official of Davie Ship Building in Lauzon, as reported in a morning newspaper, referring to the fact that out of several thousand workers who were employed in that yard, there are now only 900, due to uncertainly as to the government's plans with regard to assistance to shipbuilding. Could the minister comment on that statement?

Hon. Leon Balcer (Minister of Transport): Yes, Mr. Speaker, I have read the statement made, I think, by Mr. Black, as reported in a Saturday newspaper. That is probably the statement to which my hon. friend refers.

Mr. Chevrier: I am referring to the statement made by Mr. Lowery.

Mr. Balcer: I have not read the latter's statement. As we have already indicated, that legislation will be considered during this session. I think the Canadian shipbuilding industry will certainly be willing to wait another week or two, in view of the fact that it waited twenty-two years under the former government.

(Text):

BUSINESS OF THE HOUSE

SECONDARY MORTGAGE MARKET—STATEMENT ON REQUEST FOR DEBATE

On the orders of the day:

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, in reply to the hon. member for Burnaby-Coquitlam who inquired on Thursday last as to whether an opportunity would be available to discuss the formation of a second mortgage market under Central Mortgage and Housing Corporation, I find it will be unnecessary to have legislation to implement this, but I can assure my hon. friend that he will no doubt have a full opportunity to debate the matter when we are considering the estimates relating to C.M.H.C.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. Gordon Chown (Winnipeg South): Mr. Speaker, today being May 1, may I ask the Minister of Finance whether he has as yet fixed the day for the presentation of his budget?

Hon. Donald M. Fleming (Minister of Finance): No, Mr. Speaker, and I do not think it will be possible to present the budget during the first half of this month.

ADMINISTRATION OF JUSTICE

TORONTO—INTERNATIONAL CONFERENCE ON CRIME SITUATION

On the orders of the day:

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the hon. member for Trinity asked me a question which appears on page 4097 of *Hansard* for April 28, 1961, inquiring as to whether I had been consulted in respect to the proposed international conference to thresh out the crime situation in Toronto and adjoining areas. In reply, I would like to advise that I was not consulted, but on Thursday last the commissioner of the R.C.M. Police received a telephone call from a member of one of the police commissions interested and was asked if he would attend a proposed meeting. He replied that he would attend.

That is all that has happened to date. As hon. members will appreciate, the announcement of the proposed discussion was made on Friday, and all we have in connection therewith is that telephone call to the commissioner asking if he would attend a proposed meeting.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I could ask a supplementary question to that which has just been answered by the Minister of Justice, and direct it to the Minister of Citizenship and Immigration. Could that minister say whether she has any evidence in her department that there are frequent border crossings by persons who are suspected of being involved in organized criminal activities?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): No, Mr. Speaker. This type of information is not necessarily collected by my department and, as

the hon. member knows, with some 60 million border crossings taking place each year it is a little difficult to screen them.

HOUSE OF COMMONS

REQUEST FOR PUBLIC PARTICIPATION IN DAILY PRAYERS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I do not know to whom I should direct this question, but I wonder whether I could inquire as to the possibility of opening the doors to the galleries during the time prayers are in progress, in order that the general public may participate with us in our daily prayers.

INDIAN AFFAIRS

ALBERTA—BESTOWAL OF RANK OF INDIAN PRINCESS ON OTTAWA MAYOR

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. I apologize for not sending him notice, but I have been very busy. Does the government intend to send a representative to the ceremony to be held in Alberta in the near future when Mayor Charlotte Whitton of Ottawa is to be adopted as a daughter and raised to the rank of princess by one of the Indian tribes there? I ask this in view of the Minister of Justice having arranged to have the Royal Canadian Mounted Police band in attendance?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, speaking on behalf of the Department of External Affairs, the answer is no. We consider that Alberta is still in Canada.

FREIGHT RATES

INQUIRY AS TO INCREASE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Minister of Transport. I should like to ask him whether, in view of the fact that the Freight Rates Reduction Act expired on April 30 and today being the first of May, freight rates have gone up?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the government has been advised by the presidents of the two railway companies that they are going to file new freight rates, so shippers will not be charged increased freight rates as of today.

National Design Council

Mr. Gordon Chown (Winnipeg South): Mr. Speaker, I would like to direct a question to the Minister of Transport. Would the minister advise the house whether he intends or proposes to refer the resolution to amend the Freight Rates Reduction Act, after first reading, to the standing committee on railways, canals and telegraph lines?

Mr. Balcer: Mr. Speaker, it has been the practice in the past when this act was amended to refer this legislation to the committee, and I think it is intended to follow the same course.

TELEVISION

SASKATOON—RECOMMENDATION OF BOARD OF GOVERNORS RESPECTING LOCATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of Transport whether he is now in a position to answer the question I put to him on Friday, which he took as notice, with respect to representations concerning the Swift Current television station. I think the minister has perhaps had a chance now to make inquiries in this regard.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I inquired this morning about this matter. Unfortunately I cannot answer the question now, but I can assure my hon. friend that I will have an answer tomorrow morning.

NATIONAL DESIGN

PROVISION FOR ESTABLISHMENT OF COUNCIL

Hon. Gordon Churchill (for the Minister of Trade and Commerce) moved the second reading of Bill No. C-85, for the establishment of a national design council.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I have before me a few notes which are not my own. They have been prepared by somebody else. I should now like to introduce to the house my hon. friend the Minister of Trade and Commerce.

Hon. George H. Hees (Minister of Trade and Commerce): Thank you. Knowing that I was going to be in the house for the next hour and a half, I left for a very important reason and I am glad to return.

Mr. Speaker: Perhaps the house will accept the motion now from the minister himself, so that he will not be considered to be closing the debate at this time.

Mr. Chevrier: I think we should hear from the Minister of Transport (Mr. Balcer).

National Design Council

Mr. Hees: Mr. Speaker, in December, 1960, responsibility for the national industrial design council was transferred from the Minister of Citizenship and Immigration to the Minister of Trade and Commerce. For a number of years the council had functioned as a committee of the national gallery of Canada. Its prime responsibility was to foster greater appreciation and use of good industrial design in Canada. In addition the council worked closely with the design centre in Ottawa where exhibits of good design were on public display. Also, the council sponsored a number of travelling exhibitions of good design.

In recent years the council and design centre were increasingly active in the field of industrial and commercial design. It was thought, therefore, that this work could more appropriately be carried out in closer liaison with the Department of Trade and Commerce. For the reasons it was deemed advisable to transfer the council to the Minister of Trade and Commerce and to make the staff of the gallery, assigned to this work, a part of the Department of Trade and Commerce.

The government places great importance on the development of good design as one means of helping to make Canadian goods competitive with those of other countries. It is not always realized that design as well as price is an important factor in market competitiveness. Good design incorporates two basic features, style and function. A commodity must be designed in such a way that it can be readily used to its full potential.

With respect to industrial goods this is an important cost factor. Industrial goods should be designed so they can be used most efficiently while in operation. At the same time they must incorporate such features as safety, adaptability and ease of servicing. In any industrial enterprise these are important cost considerations. The functional qualities of commodities are also important factors in the sale of consumer goods. Appliances, household utensils, clothing, recreational goods and the great range of consumer items should each be designed to best fulfil their intended functions if they are to receive consumer approval.

In designing a product, however, style is also important. If a commodity is to sell it should be pleasing. It must have an attractive and decorative form which complements its functional qualities. Both industry and the general public are becoming more conscious of good design and are demanding that good design be incorporated in the goods they purchase. It must be emphasized that, with the present state of competition in markets both at home and abroad, Canadian industry cannot afford to ignore design as a basic competitive factor. Canada's competitors are fully aware of this importance. They are continually devoting time and resources to the development and improvement of commodity design which will give them competitive advantages.

If Canadian products are to be able to compete effectively with those of other countries they must also incorporate the best in design as well as compare favourably in both quality and price. Basic design thinking, from the choice of raw materials to the method of production, the actual product design, and the manner of packaging can result in a better product in terms of cost to the producer and in terms of function and appearance to the purchaser. This is an enormous field of endeavour, and full co-operation among manufacturers, distributors, consumers and government is needed if we are to achieve the desired results.

In order to better assist Canadian industry in achieving these objectives it has been decided by the government to introduce legislation to place the national design council on a more permanent basis, and to give it a recognized official status. The council is to consist of 17 members chosen from the fields of industry and commerce, distribution, architecture, design and engineering, and from departments of government which have a specialized interest in design. In addition there is provision for representation from the general public on the council. Members will be appointed by the governor in council to serve for three-year terms.

The objects of the council are to promote and expedite improvement of design in the products of Canadian industry. The council will plan and implement programs to create an awareness by industry and the general public of the need for good design. It will develop methods of achieving improved design, assist industry in developing and applying good design techniques, and organize and assist committees to implement programs to foster good design. It will encourage study and research in design and will be able to recommend the granting of scholarships and grants for such purposes. For a number of years the council has sponsored the granting of awards of merit to Canadian products of outstanding design. This work will be continued and expanded.

It is the government's intention that in the future the council will work in closer co-operation with Canadian designers, manufacturers, distributors and representatives of the general public. While the main responsibility for developing good designs must rest with Canadian industry, we believe that the council and the Department of Trade and Commerce can give valuable assistance to

industry in achieving these goals. I might mention that government sponsored design councils and agencies in the United Kingdom and Europe, particularly in the Scandinavian countries, have been active for a considerable time and have achieved notable successes. We are very hopeful that the newly constituted council will continue the good work of its predecessor, and that as a result of this legislation it will be in a position to be an even more effective instrument of making Canadian design second to none.

Mr. H. M. Batten (Humber-St. George's): Mr. Speaker, we live in a country where we trade not only because we have commodities to trade but also because we have commodities which we must trade. Canada is a trading country, and as such nobody would deny the importance of good design in those commodities which we have to sell. Good design in those commodities is not only important in selling them within the confines of our own country; good design is also important if our commodities are to be sold in the markets of the world. Our commodities, to be sold in Canada and in the markets of the world, must not only be attractive as far as price is concerned but must also be attractive as far as design is concerned.

I think every effort should be made to arrive at some basic design which can be recognized as a Canadian design and not merely a variation in style based on the design of some other country. I think there is a distinct difference between style and basic design. If our commodities are going to be attractive to people in other countries our basic design should be such as to be recognized as distinctively Canadian. Our design should be such as to meet the modern demands which are made of design.

I think, for example, of good Canadian design in household and office furniture, household appliances, children's toys, electronic equipment; and particularly I think of good design in commodities which are going to be sold to tourists who visit our country during the warmer part of the year. I believe there is something fundamentally wrong in selling to tourists commodities that are produced in their own country.

Not only do we want to develop commodities for the tourist trade that are national in design, but we should develop commodities which are regional in design for sale to tourists. I would hope that in the not too distant future serious consideration might be given to the commodities that form an important part of our tourist trade, to the end that they would be designed not only nationally but on a regional basis. If a commodity were designed nationally it should be designed in such a way to be recognized as Canadian, and if designed for regional purposes it should be designed in such a way as to be recognized as coming from a particular region of Canada.

Another field to which we should give serious consideration is that of packaging. We have a great many commodities in this country which we want to sell particularly in our groceterias and large chain stores. Packaging, here, is particularly important. I believe that a good deal of work can be done in order to ensure that the designs produced for packaged foodstuffs and other articles are such as to attract the people who would wish to buy them.

I entirely agree with the purpose of this bill. I believe it is a good move to have the national design council removed from the national gallery to the Department of Trade and Commerce at a time when we are particularly aware of the need for increasing our sales abroad. However, I should point out that this bill is not going to give the government authority to do any more than it now has authority to do.

The industrial design committee was formed in June of 1948. This committee was charged with the responsibility of ensuring that Canadian talent was used to the fullest possible extent in developing good Canadian design. If we examine the bill now before us we can see very clearly that it provides nothing new. While all of us here would be in accord with the principle of the bill, it requires to be pointed out that this is a field in which the government already is authorized to act.

In 1953 the original committee changed its name to the national industrial design council. Its purpose was to promote a greater use of Canadian talent in designing all types of consumer goods. At that time there were 30 members appointed to this committee drawn from the fields of manufacturing, retailing, industry, design, research, education and government. A further purpose of the committee was to do everything possible to provide complete information on contemporary design. It also decided that it should award scholarships to students attending university both in our own country and abroad.

One of the main purposes of this committee in the beginning was to study the economic relationship between good design and stability in the industries concerned. Over the years this committee has made a considerable contribution to the design of Canadian commodities. I do not think, however, Canada over the years has been able to attain a particularly important place in world design. I believe that with the raw materials and the

industries we have, and with a great deal of attention being paid to good Canadian design by this council, an important contribution could be made. I wish to point out again, however, that while all of us would agree with the purpose of this bill, it does not provide to the present government authority to do those things for which it does not already have authority.

Finally, I wish to reiterate that I believe that in the commodities we have to sell in this country and abroad, a design should be achieved which could be recognized as distinctively Canadian. With a distinctively Canadian design, with prices that are competitive and with materials that are recognized as being of good quality, I believe we shall be able to sell our commodities in increased quantities to other countries of the world.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I believe all hon. members will agree that the principle of this bill is good. The transfer of the design council to the Department of Trade and Commerce, where we feel it rightly belongs, should prove of benefit. This bill is important if only because of the fact that the minister states that more effort will be devoted to the functions of the design council.

It is most unfortunate that Canada definitely has been lagging behind in the field of design as compared with other countries of the world. Irrespective of where the responsibility lies, it cannot be ignored that in sales abroad Canada has been resting on its oars. We have been guilty of thinking that we would continue to enjoy a seller's market as we have in past years. We did not anticipate finding ourselves in our present position in a buyer's market.

If Canada is to increase sales at home, considerable research must be undertaken in designing goods for home consumption that will meet the requirements of Canadian buyers. We are not facing up to facts when we state that a buy Canadian program is not having the hoped for result if no effort is being made to improve the design of commodities for domestic consumption to favourably compete with imported products.

While it is important that design research be undertaken with respect to products for domestic consumption, it is also essential that great attention be paid to design in terms of export trade. I think we should note that what might appeal to the purchaser at home does not of necessity appeal to the purchaser abroad. In the extended work of the design council I sincerely hope that every possible effort will be made to convince the manufacturing industry in Canada that they must have an understanding of the thinking and the requirements of the people abroad to whom we wish to sell our goods. I know that on many occasions in the past in countries outside Canada I have found that people will say they like our product and inquire why it is not designed to meet their requirements. As I say, Canada has been resting on her oars. Canadian industry has been lagging behind and not recognizing the fact that we just cannot sit back and wait for orders to come in.

I also want to say that I think it is most opportune that on this very matter of design there was a most interesting program on television last week. I think we should take not of that broadcast and of what was said, because the people who were interviewed had some interest in design. They included, shall I say, captains of industry, research men and the head of the national research council.

What did we hear from all those men? We heard that Canada is not doing the job it should do on research and on design. The opinion was almost unanimous that Canada is far behind other countries, particularly the United States and the Scandinavian countries, in this matter of design. It was pointed out that only a few countries are paying much attention to research and design.

I do not know how it is going to be done, but I feel that this council has a big task ahead of it in trying to drive home to industry the fact that this is a subject with regard to which they cannot rely on the design council nor upon the national research council, but that they have a most serious responsibility which they themselves must accept. The council is going to be obliged to exert every possible bit of influence and pressure on industry, which unfortunately in the past has wanted to sit back and hope that its profits will continue. Also when there is something new in the way of design, the manufacturers of Canada, if possible, must expand their facilities and produce those goods themselves.

I think the people of Canada who viewed that C.B.C. program last week must have been positively shocked and taken aback at what I would term the betrayal of Canada as a country and of the Canadian people as workers, when the complete evidence was given of new designing done by Canadian research workers and of the fact that nobody wanted to take advantage of it or of the new product and put it into production, with the result that in the one instance the licence was sold to a firm in the United States. That was an instance of Canadian designing but no Canadian production. We are now importing from the United States a product which was designed in Canada and which Canada, as

a manufacturing country, refused to produce. In another instance something new was designed in Canada but Canada would not touch it. Now the licence is in the United Kingdom, and we are going to import the product into Canada.

I have just used these instances in order to point out the great task which lies ahead of this continuing design council under the Department of Trade and Commerce. To use a slang term, we must pull up our socks, we must not lag behind; if it is possible we must establish leadership. All I can say is that I hope the design council can get this message of research and design across to Canadian industry so that we can not only maintain but may expand the purchase of goods which are made in Canada by Canadians and meet the competition from abroad, where research is going on at such a rapid pace.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I should like to say a few words on this bill. First I should like to commend the minister on the idea set forth. However, the bill only sets up the council. As we all know, the success of the council will depend entirely upon its personnel, and in a minute or so I want to say something about that matter.

Both in their own minds and in the minds of people in a good many other countries there is the idea that Canadians are the producers and manufacturers of the utilitarian. This is one of the drawbacks that we in Canada are obliged to face. I am hopeful that the design council will start in a new direction from that traditional understanding of the Canadian product. We know of products of many types that have gone off the market in recent years for the sole reason that they have not competed in design, in appeal or in ideas with products imported from other countries. Many disappear from the market through lack of imagination on the part of manufacturers who in the past have found a ready market for their products and have been satisfied just to go on so long as the product was sold.

If there is anything that Canada needs in its export trade I believe it is a flair for design, for something different, which will bring it at least up to and possibly beyond the standards of other countries. I am thinking particularly of furniture, silverware, toys and novelties, all of which we are fully capable of manufacturing in Canada but which have fallen behind the products of many other countries in the matter of design, appeal and something new.

I think this is one of the problems which the design council will be obliged to face. As I said, I believe that the personnel of this council will be its most important feature. I hope the council will not be overloaded with members of the stolid, traditional types. I hope we shall not find too many of the personnel listed on it, from the government service and from the traditional manufacturers to the point where any bright ideas that might come up for consideration will be sat upon. I should like to see three or four crackpots put on this council.

An hon. Member: Who is available?

Mr. Aiken: Perhaps the general public would put them into that classification, but I refer to people capable of doing advanced thinking, even ahead of our time, on matters of design and artistic practicability. I do not think the minister needs to designate which of the individuals he appoints would come in this category. However, I hope there will be on the design council persons with advanced artistic knowledge so they will bring up the standard of the council to a point where they will accept and promote new and novel ideas in the design of Canadian products.

I think it would be very depressing and an absolute waste of time if we were merely going to pass a bill and put on the council persons who will not advance the ideas which are really behind the bill. Therefore I say to the minister, do not be too traditional in the members who are selected for this council; let us see something of an advance in the traditional Canadian type of utilitarian product which has been manufactured.

I should like to make one further comment, and this concerns the remarks made by the hon. member who preceded me. The hon. member mentioned two cases in which Canadians had manufactured or designed products which could not be produced in Canada. Within my riding there is an example of the other side of the coin, where the minister's department has assisted very much in the production of a Canadian product. For almost a year I have been making efforts on behalf of a man who has designed the most advanced type of printing press in the world today. This is known as the Stroud press. It has attracted the attention of manufacturers in Germany, Sweden and the United States, all of whom have sent persons to look at this particular press. It has also been examined by the national research council and the Queen's printer's office, and has been found to be advanced in its design to the point where it is revolutionary.

The inventor of this press is a patriot who wishes this press to be manufactured in Canada. He has encountered great difficulties. It would be very easy for him to merely

sell his patent, as other persons have done, and let the product be manufactured outside this country. However, he has fought for some months now, with the assistance of the minister's department, and it appears that this press is going to be manufactured in Canada with assistance from the Department of Trade and Commerce, the industrial development bank and perhaps with accommodation rented from the Department of Defence Production.

If this develops to the point we hope it will, this will be an excellent example of the manufacture in Canada of a product of new design for export. I wanted to mention this one example in order to illustrate that it is possible, with the assistance of this department, to manufacture products of new design in this country. This can be done, and objects of new design can be accepted, promoted and manufactured in Canada and exported from this country.

Mr. J. T. Richard (Ottawa East): Mr. Speaker, I wish to say a few words in connection with this bill because of the relationship it may have to the existing and proposed legislation for the protection of industrial designs. As the house knows, we have an old design act in Canada. This act was passed in 1906, and seeks to give a designer some protection for the shape, appearance or configuration of an article of manufacture. This particular act has been very unsatisfactory.

In 1958 we received a report from the royal commission on patents, copyrights, trademarks and industrial designs relating particularly to industrial designs which could be covered by this legislation. The bill, of course, gives no definition—I do not know whether it is necessary—of what is a design. However, it is interesting to note that there are many kinds of designs; there are mechanical designs, artistic designs and designs relating to the shape, appearance or configuration of an article of manufacture.

I suppose this bill would not cover what could be called an artistic design in the sense of something which really belongs to the arts, but rather would have to do with commercial and industrial designs. The latter is exactly what the old industrial design act covered and protected, and this subject matter will be covered also if the house passes another bill in the future as a result of the report made by the royal commission.

My request to the minister is to find out whether this bill will be related to the industrial design act in such away that if the government assists or suggests designs for industry through this council, it will seek to give protection to the council, to the person who designed it, and to industry, or whether the design will be made available to the country free of any charge or royalty. As the minister knows, we have gone pretty far in patents, for example. We know that the research council has a very large patent department. Although research is carried out at the expense of the people of Canada, the council obtains patents and royalties are charged to the public who use the patents.

I certainly would not like this idea to creep into this new act, by regulation or otherwise. On the other hand, the line must be drawn as to whether an individual who has invented, if you wish to use that word, or perfected a design and has received some assistance from the council, shall be barred from protection, as against a person who has not sought any assistance at all. Perhaps the minister understands my point. I hope he does. There is that line where an individual creating a new design for industry receives protection now, and will receive more protection under the new act than he has received in the past; whereas I hope a design created exclusively by the council, or entirely with their assistance, will be made available to the public freely, without charge. There is also the case of the poor individual who creates a design in part and receives only some assistance from the council; there is a point as to whether he should receive any protection at all.

This is the only matter I wish to take up at this time, because I do not see anything objectionable in this bill. On the contrary, I think we all agree that we need new designs and shapes for articles of all types manufactured in Canada. However, I think the regulations should be more specific on the question of protection. They could perhaps also be more specific with regard to the definition of a design. There is no definition of a design in this bill, and it might be well to think about this matter.

Mr. John Smith (Lincoln): Mr. Speaker, I should like at this time to approve the principle of this bill. I feel that if this council works in conjunction with industry and our research departments here in Ottawa it could have a very beneficial effect on industry in general in this country. However, I do not like to see Canada sold short, as it were, because I feel that we in this country are quite advanced in many designs both in industry and in different types of manufacturing.

Look at our tourist industry, for example. We have a wide variety of articles which tourists pick up while in Canada, but I hear many tourists complain very bitterly that one can hardly buy any kind of Canadian designed souvenir that is made in Canada. Foreign countries copy our totem poles, our *Maid of the Mist* plates and design, our mounted police, our Quebec figurettes and our

Eskimo carvings. All these things are definitely of Canadian design, but unfortunately there does not seem to be anything to prevent other countries copying them. Therefore I think in the setting up of this council we must not only consider the question of helping to create new designs for commodities of one kind and another, but also protecting them after they have been designed.

I hope the minister will give that point some consideration, because I think it is very important. I do not think I have anything else to say at this time. Much could be said about this matter. I do feel it is not only a question of designing; it is also a matter of protecting the design after it has been made. Again I must say I disagree with some hon. members when they say that Canada is lagging in design. I do not say we are leading, but in my opinion we are certainly not lagging.

Miss Judy V. LaMarsh (Niagara Falls): I wish to add a few remarks to those already made with reference to this proposed new council. I congratulate the minister on taking the responsibility of accepting an idea proposed and first instituted by the prior administration and in this way complimenting the minister who was at that time responsible.

The party to which I belong has long been interested in design and in the promotion of Canadian manufactured goods which by their design and by their functionality will be able to compete here at home and abroad. No one, I suppose, on this side of the house or on the other side would suggest that better and more suitable design could at any time be a bad thing. However, in the set up of the national design council in Bill No. C-85 which is now before us it may be noted that there is very little dependence on the type of person who might be expected to be called upon, who would be interested by way of his profession. It is noted that only four members will be chosen from the fields of architecture, design and engineering out of a total of 17.

It might be suggested that since design is the whole purpose of the bill there are many in these fields within the dominion who should be called upon, who have formed professional organizations and who should find a place on this council. There is, in fact, a professional association in Canada which is known as the association of Canadian industrial designers, and one would expect that members of that association might be found in the make-up of the proposed council.

There was one reference to a conceivable drawback that was made by the hon. member for Ottawa East and referred to very briefly, I think, by the hon. member for Lincoln, who spoke earlier. In Canada we have had for some years a design council which has been under the aegis of the national gallery. We have had very little advance in new design, and I do wish to make a submission to the minister who will be responsible for this council that perhaps one of the things which will be necessary is the reform of our laws with respect to patents and copyrights and in particular to the registration of new designs.

The Ilsley commission has already been referred to. It was set up by the prior administration, and reported in 1958. There is a report to which I would refer the minister which is available in the library of parliament. It recommends that there should be protection of industrial design, and it may well be that one of the factors inhibiting Canadian designers is that they are not able effectively to obtain the fruit of their labour by registering their designs. In the report of the Ilsley commission there is consideration of recent legislation in the United Kingdom which tightens this matter and a consideration of the pros and cons of extending such provisions.

The Ilsley commission was not able to come to a firm conclusion as to whether giving protection to those who caused new industrial designs to come into being was something which solidified design or whether it was some thing which caused more activity in the design field. But these learned gentlemen, after hearing briefs from a number of interested persons, including a brief from the national design council through its representatives, found themselves in favour of protection and recommended to the government of the day, which is the minister's government, that a new act be drawn which would give to those who created new designs a degree of protection.

I would refer the minister particularly to page 11 of that report of the royal commission on patents, copyrights, trademarks and industrial design, published in 1958 by the Queen's printer. On page 11 appears the report of the Snow committee, which was a committee set up in England to consider this question. The report is properly called the report of the departmental committee appointed by the president of the board of trade of the United Kingdom to consider the patents and designs act. This report goes into some detail regarding the benefit to increasingly good design to be obtained by protecting the holder of the design.

There are, it is true, a number of problems to be considered. There is in existence now the registration act, which is considered to be ineffective and which has been found by those who have perfected new designs not to give them adequate protection. I suggest, therefore, that attention be given not only by

the minister but by his colleague the Secretary of State to the revision of those statutes in order that new designs as they are promoted, encouraged and brought into being in Canada shall be assisted, so that one who does a great deal of work and expends a great deal of time in causing these designs to come into being shall be able to obtain, at least for a limited period, protection of that work and talent.

I also suggest to the minister who will be responsible for the new design council that relatively little has been done in Canada to assist or protect or encourage industrial designers. It is known there has been a series of scholarships given in the past, but these scholarships do not appear to have been sufficient in number or large enough in scope to permit the winners to study abroad and then spend considerable time developing new designs here. I know that in the annual report of the national gallery of Canada for 1959-1960, under "Industrial Design", the national industrial design council, which has been set up by the trustees of the national gallery and which I presume will go out of existence on the passage of this bill, has instituted a new series of design awards and a new design index listing Canadian manufactured products which meet certain design specifications, in respect of which certificates are to be given on a three-year basis. It appears in the report that the first year for such awards to be made is 1961, in the autumn, when an international jury is to be set up to choose the winner.

I hope that in causing the national industrial design council to go out of existence at this time, and having it replaced by the national design council, the plans which have been formulated by the earlier council will be continued and developed by the new body. The old body, which I presume, will now go out of existence, was an active executive group of about 12 members who met every three months. In view of the fact that it appears to be unanimous in this house that we should concentrate on the design of Canadian products, and in view of the fact that the minister indicated there should be more energy and attention paid to this particular aspect of design, I suggest that the council should meet far more frequently than is suggested in the proposed act.

The problems which the council will meet in respect of the dissemination of information, and creating public interest in design, are briefly dealt with in section 10 and other sections of the bill, where there is indication that there will be scholarships, publications and travelling shows of the kind that presently exist. I suggest to the minister that there is very little new thought here as to the proposed method of operation of this council. There are excellent displays and publications now being made available, one of which was the new booklet put out this year entitled "Design Bulletin" issued as a monthly *News Letter,* However, I suggest that these are insufficient and that it will be necessary to find other ways of promoting good design.

I think hon. members have seen the display of good design in respect of Christmas gifts which has appeared in Ottawa for the past two or three years under the aegis of the design centre, as well as the travelling exhibitions. I first saw this display when I was in Ottawa as a tourist. Hon. members should realize that these exhibits come to the attention not only of those who live in the area in which they are displayed but, if the area has a large tourist public, a profound impression is made on a great many additional people.

I think it is necessary to educate people in the matter of taste, appreciation and style. This is, of course, a long process. There are a number of magazines, unfortunately most of them United States publications, with perhaps the exception of one which is Canadian, which promote style in the home by photographs and discussions of new styles and new functions in respect of articles used in and around the home as well as building materials. These magazines include photographs of furniture, appliances, gardening tools and many articles of that type. They have been very instrumental in changing the taste of people in this country.

Unfortunately in Canada, whether imported or locally designed and sold, style often is accompanied by high price. It too often appears that the Canadian manufacturer feels, in respect of low priced or minimum priced goods, that design, style or function does not matter and that only those individuals with a good deal of money to spend will be interested. I suggest that it should be a function of this council to persuade manufacturers that this matter of taste is not limited to those potential purchasers with much money to spend but that it is an intrinsic thing, because everyone appreciates beauty and style regardless of their ability or inability to afford them. I suggest that those individuals who are only able to afford a bare minimum would prefer to purchase an article which is both beautiful and functional within their price range.

Those of us on this side could not fail to approve of a concentrated effort on the part of the government and interested people in the community to improve the style of products, making those products not only more saleable but providing a distinct benefit in the

way of beauty to those who purchase them. We could not disapprove of this because legislation of this type was introduced by the party which now sits on your left, Mr. Speaker.

This being 1961, we could hope that those individuals on the newly instituted design council will be looking not just to this year, but ahead to 1981 in doing all there is in their power to bring new designs to our products as quickly as possible, so that design will not be a matter only of beauty to promote sales in Canada but also that we may take pride in Canadian produced articles being sold in shops all around the world. I hope this will take place as quickly as possible so that one can say with pride, that an article is indeed Canadian both in substance and design.

Mr. Frank Howard (Skeena): Mr. Speaker, it is a pleasure to follow the well designed member for Niagara Falls (Miss LaMarsh).

Some hon. Members: Hear, hear.

Mr. Howard: There is one thought that I would like to leave with the minister in respect of this bill before us, which follows suggestions made by other members in regard to one of the beneficial effects which will flow from the activities of the design council. I refer, of course, to the potential increase in the sale of Canadian made goods in other countries. There is a group of people in Canada, the largest single organized group of citizens, who are not disinterested in this question of increasing the sales of our commodities in other countries. I suggest that this group has done some research work in the field of design in respect of commodities, goods and packages which would be a marked contribution toward the activities of the design council. Incidentally, this group is represented on the national productivity council, and I feel should be represented on the design council. I refer specifically to the organized labour group in Canada.

It was the promise of this government, although it has not always been carried out, that organized labour would be represented on all the boards, commissions and agencies in which this group is interested. I suggest that this group is interested in the question of design and the promotion of unique designs reflecting Canadian attitude and spirit. This group would be interested in design itself as well as the beneficial effects improved design will have upon the sale of our goods in other countries.

In view of what I have said, I wonder whether the minister would indicate whether this suggestion, in respect of organized labour representation on the design council, is one he considers should be followed. I repeat that I feel this largest single organized group in Canada should be represented so their views and ideas can be reflected as much as possible in the recommendations and activities that may be undertaken by this council.

Mr. F. J. Bigg (Athabasca): Mr. Speaker, I am very pleased to support the bill. I think the time is long overdue when we should pay more attention to promoting the skill of our own people and the sale of Canadian goods. In my opinion there is nothing more conducive to such a forward step than a council of this sort. I should like to see a very large contribution made toward scholarships and also by way of grants for exhibitions at local fairs. There is a good deal of talent throughout Canada that never comes to light. There is no point in spending money or having such a council unless we bring this talent to light. We look to our young people for new and better designs. A country that has encouraged such men as Graham Bell does not need to take a back seat in the development not only of new designs but also new instruments.

I am also pleased to see that the bill contemplates the giving of awards of merit. I do not know why such awards should not be retroactive. If there are Canadian designers who have already made contributions I think they should be encouraged. Such awards may encourage them to remain in Canada where their services are needed, particularly if it is in monetary form.

I think it is a forward step that we are going to encourage exhibitions abroad. The reports I have heard about the Brussels fair indicate that Canada's activities there left much to be desired. A good many Canadians went to that fair expecting to be very proud of the Canadian displays but came home disappointed. They were particularly disappointed with the food served. I do not know why Canadian cooking should not be included within the wide scope of this bill. When we go abroad and have European or British guests we should be able to take them to the Canadian pavilion at such fairs and be able to have Alberta steaks, British Columbia salmon or other items produced in Canada which are among the world's finest foods. If we are going to sell abroad we have to display our best products. How can we do it any better than by having Canadian travellers introduce these people to the foods we know so well?

I think our Canadian embassies and consulates should be encouraged to show Canadian goods. I understand that the embassies and consulates of Canada throughout the

world are filled with French antique furniture, American colonial furniture or English period furniture. When new consulates are opened I should like to see them equipped with Quebec furniture, Ontario furniture or any other furniture made in Canada so that we can show the people of other lands what we produce. No other country would be foolish enough to advertise other than its own products abroad. I think we have to act like adults now that our country has reached maturity, and fill our embassies and consulates with Canadian made goods. We have beautiful products of all kinds in every industry, and I believe we should promote their sale.

We can learn something from the way other countries do business. Before the Japanese design goods for use in Canada or the United States they send a trade mission here and conduct a kind of Gallup poll. Through our commercial outlets they find out what we want; then they go back to Japan and do not lose any time producing it. We could do the same thing. Perhaps our embassies and consulates do not have the time to do this work, but we could send teams of experts to other countries to find out what they like and then we could produce what these countries want.

I can see a tremendous field so far as forestry is concerned. The people of Asia are now awakening, and they want to be educated. I do not think one could exaggerate the amount of paper products they are going to need. We have the mills and the ability to produce such products. We could send a trade team to Asia to find out what kind of printed products they want, particularly in the form of school books. The people of China, Japan and India are tremendous readers, and here is a field that in my opinion we have not even scratched.

We rely very largely on the forest industry to balance our trade. If we can get those who produce paper and the printers to co-operate, there is no reason why we cannot print material in the languages of the people of these countries. We have Asiatics in Vancouver, and there is no question about our being able to print story books, school books and professional and technical books in the languages of these people. When we have exhibitions we can invite these Asiatic people to come and see what we can do in Canada; and for goodness sake let us also go to them and ask them what they need. We have the paper and can do the printing with the greatest of ease. I think we could open up an unlimited market in Asia.

So far as the field of sport is concerned, there is no doubt that Canadians can produce the finest sporting equipment in the world. Our Olympic athletes have made a name for Canada in hockey and skiing, and I think we should go to other countries, find out the type of sporting equipment they want and show them what we have.

Mr. O. J. Godin (Nickel Belt): Mr. Speaker, I am pleased to have the opportunity to express certain views on the principle of Bill No. C-85, the purpose of which is to create a national design council. So far as design functions are concerned, my particular interest has been in connection with products made from nickel, and in that regard I might point out that an exhibition of stainless steel products was held about a year ago at the national gallery.

There is no doubt that the bill is welcomed by all members of the house, since its primary objective is to promote the sale of Canadian products and thereby increase Canadian production. In that regard it follows the ideals put forward by the government in past years, and a previous speaker has indicated quite well the efforts made in the past to formulate ways and means of promoting Canadian design.

I understand that at present there is a staff of 12 engaged in the promotion of Canadian design. However, in view of the growth of our country and having in mind our resources there is no doubt that a more complete and elaborate organization is needed to review the possibility of bringing about a greater incentive in Canada for the creation of designs that would be definitely Canadian and would result in our products being of a better quality.

The expansion of the functions of the national design council will certainly be appreciated by all hon. members and by the Canadian people. No doubt is was a shock to many Canadians to learn on a television broadcast the other day about certain problems that have arisen in recent years with respect to designing goods in Canada and the lack of proper promotion so they could be produced here. We were told, for example, about a plane required particularly for use in the northern areas of Canada which was designed here but could not be manufactured in Canada and had to be brought in from abroad. I urge the minister to give consideration to extending the objects of the council to include assistance in the promotion of Canadian produced goods.

On a previous occasion I referred to the ceremony at the opening of the national gallery, which was an elaborate and formal affair. The Minister of Citizenship and Immigration was hostess on that occasion and gave a splendid address. To my surprise most of the designs which won awards on that occasion were foreign. I am unable to give

an exact indication of the proportion of awards that went to foreign entries, because I did not expect to be speaking on this subject today. However, my impression is that very few of the outstanding, award winning designs were Canadian.

I was surprised, for instance, that an automobile produced in Europe won an award for stainless steel decoration. As a Canadian I regretted that an automobile manufactured or assembled in Canada had not won this award. As hon. members know, Canada produces a major portion of the world's stainless steel. I do not have current figures, but Canada's position in the production of monel metal would be even further advanced today as a result of Cuban production being curtailed.

No doubt people will be requested to sit on the council or its advisory committee without remuneration. This is a field in which we should obtain the highest possible degree of co-operation with industry. Although the council will bring benefits to the Canadian people generally it will bring particular benefits to industry. I urge that the minister strive to ensure that there will be in the council a high degree of co-operation with industry, and that consideration will be given to doing everything possible to assist in the promotion of Canadian products.

It should be brought to the attention of the public that many Canadian produced goods are superior in design and quality to imported goods. I hope the council will direct its efforts to this end. Recently I spoke to a person who brought to my attention the fact that many Canadian textiles are superior in design and quality to foreign made textiles. We are accustomed to thinking that imported textiles are superior to ours. Certainly imported textiles are given great publicity, and attention is directed to their alleged superior quality. The council should bring to the attention of domestic and foreign consumers the superior craftsmanship and quality of Canadian textiles and other goods.

Five or six years ago I attended a lecture at which the speaker proved to the audience that a Canadian manufactured refrigerator was superior to one manufactured in the United States, and that the additional $40 or $50 which was paid for the Canadian unit was compensated for by the fact that the Canadian unit contained material of a superior quality. It is information of this sort which the council must bring to the attention of the buying public.

We congratulate the minister on the forward step that this bill represents, and urge him to ensure that the council do everything possible to assist in the domestic and foreign sales of Canadian made products in terms of publicizing their outstanding qualities.

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to take a few minutes of the time of the house to lend my support to this bill and to congratulate our young and energetic Minister of Trade and Commerce on bringing this measure before us.

Many interesting ideas have been brought to our attention in the discussion of this measure to establish a national design council, and I am sure the council will find them of value in their deliberations. May I suggest that when selecting this council the minister give consideration to the selection of a representative from the field of agriculture. We have many food products in Canada which are of outstanding quality. I think particularly of Canadian cheese, maple syrup, hams, bacon and many other fine products. Although foodstuffs do not appear to have much to do with design there is an important relationship. We have a tremendous sale abroad of Canadian products of this nature.

When travelling south of the border we often see reference made to Canadian bacon on the menus of restaurants. This is a field in which the council could promote Canada and Canadian products. I urge the council, through the minister, to bear this in mind and to have our Canadian foodstuffs of great distinction brought to the attention of people in other countries.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I had intended to make some more extended remarks, but unfortunately I was obliged to be absent from the chamber while the minister was making his speech on the motion for second reading of the bill. I want to say simply that I have always been interested in the design of inanimate objects, and I presume this bill refers entirely to inanimate objects. I think it is extremely necessary in our national life to get persons interested in form and in colour. There is a great deal in life beyond just the purely material, and the more people we can get interested in the purpose of this bill the better it will be. Ugliness is one of the factors contributing to many of our problems. People live in ugly surroundings; they use ugly equipment and ugly things. I am a great believer in the remedial effects of beauty in life.

I want to pay a tribute to those Canadians who do work in this field which is not generally known. There are some persons who make contributions to industrial and other designs across Canada. There are many more who are capable of making contributions if they have the opportunity to do so. I suggest that the council should inform the public on

the widest possible basis as to its purposes and objectives. Even in the smaller places in our country there are many people—and I am thinking particularly of the younger people—with talent and ideas.

I close by simply suggesting that we should do everything possible to get the co-operation of all the people in Canada who are interested in satisfactory industrial design and the work of the council which is the purpose of the bill.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I do not want to say very much about this bill in view of what has already been said. However, I wish to make one suggestion to the minister. I am not quite sure that I would go the whole way with the hon. member for Parry Sound in suggesting that the minister should appoint crackpots to the council. I think perhaps it would be more useful to appoint to the council people who would seek designs for pots that would not crack. I commend that suggestion to the minister.

However, I think what the hon. member for Parry Sound had in mind was not really the appointment of crackpots but rather of people with ideas that had not yet necessarily caught on with the public. We know that most of the design that is good and interesting is novel. We know that after a while people get tired of one way of doing things or one way of designing things, as women seem to do with their fashions, and they want something somewhat different. I think there has been far too much of a tendency in Canada—although a good deal less in the last decade and a half than there was previously—to do things that were purely conventional and imitative of people in other countries.

I had the responsibility at one time, in a general way, along with the late Mr. C. D. Howe, for the design council as it exists at the present time. The responsibility then was divided, as it has continued to be divided between the Minister of Trade and Commerce and the Minister of Citizenship and Immigration under the present administration. The question of whether the Minister of Trade and Commerce rather than the Minister of Citizenship and Immigration should have the prime responsibility is not, in my opinion, a matter of great importance, although there is probably something to be said for relating the council more directly to industry, through putting it directly under the responsibility of the Minister of Trade and Commerce, whoever he may be, for the accomplishment of an immediate and intimate relationship between industry and the work of the council.

I feel that it would be only right to say what I am now going to say, and I do so particularly because I have a suggeston to make to the minister. If there is one man to whom the Canadian people owe the design council and the pioneering work it has done in the last decade or more it is to Mr. Donald Buchanan, who was associated with the national gallery and who provided most of the initiative and inspiration for the starting of this work. It is a matter of the deepest regret to me and to many other Canadians, not all of them political friends of mine, that Mr. Donald Buchanan left the national gallery —I do not intend to go into that matter— and that at the present time he is not even living in his own country.

I would urge this suggestion on the minister. If he really wants the ablest Canadian who could be found to be the head of the design council, I suggest that he seek to repatriate Mr. Buchanan and get him to undertake this job. I think this would be one of the most useful and productive things he could possibly do. I felt that I should make this suggestion, and that is all I have to say.

Some hon. Members: One o'clock.

Mr. Hees: Mr. Speaker—

Mr. Speaker: I must inform the house that if the minister speaks now he will close the debate.

Mr. Hees: It is about one minute to one o'clock. May I call it one o'clock?

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Howard: Mr. Speaker, I should like to rise on a question of privilege, if I may. I am sure the minister will not mind my raising this matter at this time. My question of privilege relates to an hon. member of this house, the hon. member for Peterborough (Mr. Pitman). I wonder whether the house is aware of the fact that the hon. member for Peterborough and his wife today became the proud parents of a baby girl.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, as most of us are parents I feel sure we all join in congratulating the hon. member for Peterborough and his wife on this addition to their family.

I should like to thank those hon. members who have spoken in this debate for the very constructive contributions they made. A great many good ideas have been put forward. I can assure the hon. members who made these suggestions that I and my departmental officials will take careful note of them, and

they will be brought to the attention of the design council once the members are chosen and the council set up.

The hon. member for Ottawa East and the hon. member for Niagara Falls voiced concern for the designers of Canada lest they be not protected by law regarding the designs they have worked on and produced. This protection continues to be provided for our designers through the Industrial Design and Union Label Act. When the present bill becomes law, as I hope it will, it will not in any way interfere with this protection. The purpose of this bill is solely to encourage good design in Canada.

The hon. member for Skeena asked whether a representative of organized labour could be included in the personnel of the council. The hon. member for Wellington South asked whether a representative of agriculture could be included. Although there are no specific categories for organized labour or agriculture on the council, section 3 (e) does provide for two people to be chosen from the general public. Of course representatives of labour, agriculture or any other category could be chosen to fill those vacancies.

I would stress that in choosing the personnel for this council we are particularly anxious to obtain people who are outstanding, who have done a great deal of work and study in the field of industrial design, and who are thereby able to make a really important and worth while contribution to improving design in this country. If hon. members know of people of particular talent in this regard, if they will let me know who they are and what their past work and experience has been I will be very glad to give them consideration.

I think it is particularly important that in the very competitive world in which we find ourselves today we should have products of outstanding Canadian design. I say this because in a market such as we have in Canada today, or the world market, which are both very competitive, to sell a product it must have either the best design, the best quality, or be offered at the lowest price. Sometimes it is necessary for a product to have a combination of two or three of these outstanding qualities. I think we have all had experience with products of outstanding design, and we know they usually command their own market and also a price well in excess of competitive products.

I should like to give four well known examples to illustrate this point. There is the machinery produced by the International Business Machines Corporation, the machines produced by the United Shoe Machinery Company—which produces machinery for manufacturing footwear—and the engines turned out for both automobiles and aeroplanes by the Rolls Royce Company. Also the fashions that are being produced by the world's top designers in Paris, New York, London and other fashion centres command their own markets at prices far in excess of those of their competitors.

I think the best way for producers in Canada to increase sales, and thereby increase the number of jobs available to Canadians, is to develop distinctive Canadian designs for our products. If we do this I feel we can win and hold markets at higher than competitive prices. If our design and quality are no better than that what is offered by those competing for our markets, then of course our producers will always be at the mercy of the price cutter and employment in these industries will be uncertain.

This is not the kind of situation we want in Canada. We want high and steady employment. The best way to make sure that we have both is to ensure that the products we produce will be asked for by name by people throughout the world as distinctive Canadian products, because they are better than the products offered by our competitors.

We have examples of that kind of design in certain of our agricultural products. I would name three that come to mind. One is Canadian cheddar cheese. Another is our No. 1 northern wheat. Another is Canadian bacon. Hon. members will know many others. These are products which have been developed by our agriculturists and which are well known throughout the world. These are asked for by name, and they have won for themselves an important place in the commercial market. I believe that if our agriculturists have been able to develop such outstanding products as these it is up to our industrialists to prove that they are just as able to develop unique Canadian products which can command their own markets and prices.

That is the real challenge facing Canadian industry today. It is to help industry meet this challenge that we are establishing the national design council, and I believe that working together to produce distinctive Canadian designs our industrialists, our workers and our manufacturers along with those interested in design throughout the country and those who are appointed to the industrial design council can help materially to increase the sales of Canadian products, thereby increasing the number of jobs available for Canadians.

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

On clause 1—*Short title.*

Mr. Richard (Ottawa East): Can the minister enlarge on the question of protection of designs which I raised this morning?

Mr. Hees: I did cover that subject while I was closing the debate on second reading, but since the hon. member was not here I will repeat what I said. The industrial design act provides the necessary protection for our designers so they do not lose the benefits which might, could and should accrue to them for the work they have put into the development of new and distinctive designs. This bill when it becomes an act will not interfere with that provision in any way. The purpose of this legislation is simply to encourage good design in Canada.

Mr. Richard (Ottawa East): So the council itself will not have any rights in designs at all?

Mr. Hees: That is correct.

Mr. Richard (Ottawa East): Furthermore, it will not take away any rights from designers solely on account of the fact that they have been assisted.

Mr. Hees: That is correct.

Clause agreed to.

Clause 2 agreed to.

On clause 3—*Establishment of council.*

Mr. Howard: With respect to clause 3, I mentioned on second reading the possibility of having representation on the council from organized labour in keeping with the general practice of this government, as I understand it, of appointing to various commissions and boards people who are representative of organized labour. Unfortunately I had to leave the chamber for three or four minutes during the time the minister was speaking, and if he did deal with this specific question and I missed his reply I am sorry. I apologize for being out of the chamber. However, I gathered from a private conversation I had with the minister during lunch—I hope he will not mind my mentioning this—that the government was not opposed to taking the line I have suggested.

Mr. Hees: Having had to leave the chamber myself for three or four minutes I sympathize with the hon. member for Skeena. While he was out I did answer his question. I noted that he had asked that a representative of organized labour be included among the members of the council, and that the hon. member for Wellington South had asked that a representative of agriculture be also included. I pointed out that although there is no specific provision in the bill for the inclusion of representatives of these two categories, there is in clause 3 subparagraph (e) provision for two people to be appointed from the general public, and representatives of labour and agriculture could well be included there. This would have to be decided later, but there would certainly be a possibility of that being done under the subclause.

I pointed out also that in choosing the members of the council we are particularly anxious to have people who have received special training and who have done special work in the field of design, in order that they may make a particular contribution to the work of the council. I invited hon. members to let me know any people who have done outstanding work in this field, because I should be glad to give consideration to their inclusion among the members of the council.

Mr. Howard: I do not know whether the minister was absent for the same reason as myself, but perhaps that is something we should not explore at this time. I understood the minister to say that representatives of agriculture and organized labour as well as, conceivably, of other elements in our society, could be appointed under subparagraph (e) where reference is made to two members of the general public. I also understood him to say that the government is anxious to have serving on this council people with special understanding of industrial design, or with special training in this field.

I think this is commendable, but I point out to the minister and to the committee that under clause 4, subclause (4)—and I refer to this, Mr. Chairman, only because it is connected with what I am about to say—it is provided that a person can only be eligible for appointment as a member of the council if he has knowledge of the field he is to represent or of the technical aspects of design. That is made clear in clause 3, subparagraphs (a), (b), (c) and (d). You will notice, Mr. Chairman, that the two members to be appointed under subparagraph (e) are specifically excluded from this obligation. Clause 4 says in effect that the two members of the general public need not have any knowledge of the design field or of the technical aspects of the work. If it is possible to appoint two members of the general public under paragraph (e) of this clause, one could conceivably come from the field of agriculture and another from the field of organized labour. That being so, why might they then be excluded from having technical knowledge in these particular fields, while it is required in respect of the other members?

Mr. Hees: Mr. Chairman, when members of the general public are included in a council they are usually included for the purpose of having additional points of view presented in discussions of the council, perhaps non-technical points of view, or consumers' points of view. When I mentioned that representatives from the field of agriculture and organized labour could be included under clause 3, paragraph (e), I meant just that. It might be possible that those individuals chosen from the general public would be representatives of organized labour or agriculture. There would be no reason why they would not be. Who the individuals will be that are chosen I do not know, but I feel there is an opportunity for them there.

Mr. Howard: It seems to me that it would be desirable to have special reference to that effect included in this bill so as to ensure that the council will have representatives from the fields of agriculture and organized labour, in addition to the two members chosen from the general public. This would ensure that the consumers' point of view was represented as well as the points of view of the two large and important segments of our society, organized labour and agriculture. Those views would then be expressed within the council and would perhaps have some influence upon the council's recommendation.

I think it is necessary that I confine my remarks at this time to the representation by organized labour, but I would not like to be precluded from referring to that other important segment, agriculture. I feel that those members of this committee who are knowledgeable in regard to agriculture will be far more able to express points of view in that field than I am. In this regard I would like to place before the committee a motion along the lines I have suggested. I therefore move, Mr. Chairman, the following proposed amendment:

That clause 3 be amended by deleting the word "seventeen" in line 11 and by substituting therefor the word "nineteen", by deleting the word "and" at the end of paragraph (d), placing the word "and" at the end of paragraph (e), by adding the following as a new paragraph (f):

"(f) two members who shall be chosen from the field of organized labour,"

If this amendment passes I will then deal with the question of representatives from the field of agriculture. I feel if the proposed amendment is passed it will necessitate a subsequent amendment to clause 4.

Mr. Chevrier: Mr. Chairman, may I say that after glancing at this amendment, we are prepared to support it.

The Chairman: If there is no objection to the validity of the amendment, I shall put it.

Mr. Hees: Mr. Chairman, having served on committees I think we can agree that there is a limit to the size of a committee, if it is intended that the committee should accomplish anything. Under this amendment we would be including two members from organized labour. If we should agree to that proposal then it certainly could be claimed that there should be two representatives from the field of agriculture. Consumer groups as well as industrial groups, not specified here, would have an equal claim for representation. These claims could go on and on. There is no reason why the representatives chosen, for example, under paragraph (a), being five members from the field of industry and commerce, would not be men working in plants. It is not specified that those representatives from industry and commerce shall be from the management side. On the contrary, they could be from the labour side.

We intend that this council be a workable body, and I suggest there is a limit to the number of members in order that it be workable. If we attempt to include representatives from specific groups there will be no limit to the number of members. For the above reasons I am afraid the government will have to oppose the amendment. I think the hon. member will agree that this government has taken advantage of the very valuable views voiced by organized labour groups.

I might also mention that the industry-management committee which I called together several weeks ago—this is a very important committee—is made up of 15 representatives of labour unions and 15 representatives of management. In respect of the productivity council there will be an equal number of representatives from organized labour and management. I would also point out that there has never been any desire on the part of this government of which I am aware, to exclude representatives of organized labour from any discussions. I feel sure that the individuals who fill the positions outlined in paragraph (a), from industry and commerce, will represent the views of organized labour, and I would therefore indicate that the government must decline this motion.

Mr. Pickersgill: Mr. Chairman, I am not very much impressed by the argument that has just been put forward by the Minister of Trade and Commerce. It does seem to me that we are dealing here with a national design council which will be concerned with the designing of products of industry, and that organized labour would have a more direct and immediate interest in that council than any of the other groups the minister suggested should be considered. Of course, I think consumers might have better views on the subject than anyone else, but I take it

they would be covered under subclause (e), "two members of the general public". I would hope that at least one of those two members, if not both, would be a woman because I think they generally have a better conception of design than the average man and, as we all know, they are the main customers under the division of labour that seems to have come about in our modern industrial society.

However, since the minister has indicated that he is not prepared to accept the amendment of the hon. member for Skeena, I have a suggestion to make which might accomplish the purpose the hon. member has in mind and also be acceptable to the government. I suggest to the minister that he might consider asking the hon. member for Skeena to withdraw his amendment and in exchange undertake to ask the Minister of Veterans Affairs to move that subclause (a) be amended so it would read "five members who shall be chosen from the field of industry"—then you would cut out the word "and" and insert a comma—"commerce and organized labour". Then there would be no doubt that it was the intention of parliament that organized labour should be specifically referred to.

The hon. member for Skeena and I are not in each other's confidence as to this matter. We just happen to agree about this particular amendment and if it is put to a vote then, as the hon. member for Laurier has already indicated, we will vote for it. But if this compromise would be acceptable both to the minister and to the hon. member for Skeena, it seems to me it would accomplish what is in mind and what I think everybody in the house would agree was a sensible thing.

Mr. Hees: I thank the hon. member for Bonavista-Twillingate for what he has said. At the time he started to speak the same thought was actually passing through my mind. It is a sensible suggestion, and I would ask my colleague the Minister of Veterans Affairs to propose an amendment to subclause (a) so it will read:

five members who shall be chosen from the field of industry, commerce and organized labour.

An hon. Member: How about agriculture and fisheries as well?

Mr. Howard: That is perfectly agreeable to me, Mr. Chairman. This then leaves the general public to be represented by members of the general public and not by members of a specific group. I would withdraw the amendment in the light of what the minister has suggested.

The Chairman: Does the committee consent to the hon. member withdrawing his amendment?

Some hon. Members: Agreed.

[Mr. Pickersgill.]

Mr. Churchill: Mr. Chairman, I therefore move:

That clause 3, subclause (a) be amended by deleting the word "and" in line 14 and placing a comma after "industry" and adding after "commerce" the words "and organized labour".

The clause would then read as follows:

Five members who shall be chosen from the field of industry, commerce and organized labour.

Mr. Howard: Before you put the amendment, Mr. Chairman, I do not want to be sticky about the grammar. Perhaps it comes from sitting next to the hon. member for Port Arthur, but should the word "field" not be in the plural so that each field will be referred to specifically? It would then read:

Five members who shall be chosen from the fields of industry, commerce and organized labour.

Mr. Churchill: That is all right.

The Chairman: Shall I dispense with reading the amendment?

Some hon. Members: Agreed.

Amendment agreed to.

Clause as amended agreed to.

Clauses 4 to 9 inclusive agreed to.

On clause 10—*Objects.*

Miss LaMarsh: Mr. Chairman, with reference to clause 10 the objects are stated to be to promote and expedite improvement of design in the products of Canadian industry. Then it goes on to be more specific. It has recently come to my attention that it is most necessary that this be done in Canada. I have in mind crown corporations and particularly the Canadian National Railways, which very recently had recourse not to Canadian designers but rather American designers. I refer to an article published in October, 1960, indicating that Canadian National Railways has hired an American design group known as James Valkus, Inc. to do its entire corporate identity program, said to be the largest of its kind in North America. This company is an 11-man operation located in New York with a small branch office set up in Toronto specifically to accommodate this account. I think this indicates the fact that up until this time at least Canadian consumers including these branches of government, notwithstanding the council which has been in existence, have failed to take advantage of the excellent designers in Canada.

What is perhaps even more shocking is that those who use the hotel facilities of Canadian National Railways will find in their rooms a card of excellent design which I will be pleased to send to the minister. On one side it says "Please do not disturb" and on the other side it says "Maid please attend to

this room as soon as possible". It is a little plastic card of excellent design and very noticeable. At the top on one side appear the words "Canadian National Hotels" and at the top on the other side appear the words "Printed in the United States".

I think both these things should be a cause of shame to Canada. It is shameful that with respect to a small plastic card such as this Canadian National Railways has not been able to find Canadian designers or, if they have found them, have not purchased Canadian designs from them. It is particularly shameful that in the larger sphere of creating a whole corporate image it has been thought necessary by Canadian National Railways to go outside Canada and hire an American concern for this very large program.

I suggest to the minister that action in this regard is long overdue. It is a matter to which there should be much more attention paid, and the products of Canadian industry should be the primary concern of this council, not those of industries of other countries.

Mr. Hees: I thank the hon. member for Niagara Falls for bringing this matter to my attention. If she will send me the card I should like to have a look at it. I will certainly ask Canadian National Railways why they bought such a card in the United States if a card of the same type was available in Canada. I have made inquiries of this kind in the past, not necessarily with respect to Canadian National Railways but with regard to others who have bought goods outside Canada which it seemed to me could have been bought to better advantage in Canada, and in almost every case, I think, I have been told that they would have liked to buy the particular product in Canada but it was not available. This again points up the need for people in Canada to emphasize Canadian design here in this country.

With regard to the use of Canadian design companies to assist other companies with their designs, I strongly urge all Canadian companies to make use of our own design companies, because this is the only way I know that our students who go through university and learn these arts and sciences can be employed in Canada instead of having to go to other countries for employment.

I am glad these matters are being brought to my attention and the attention of the house. I can assure those members who are bringing them to my attention that I will look into them carefully, and that I appreciate receiving this information. I will be glad to let the hon. member for Niagara Falls know the result of my investigation with respect to this particular card.

Miss LaMarsh: That it will be replaced, I hope.

Mr. Howard: Mr. Chairman, there is one question I have in mind with respect to clause 10, and again I have to refer to another clause, namely clause 11. Subclause 1 of clause 11 provides that the minister may refer certain matters to the council for study as he deems advisable. Subclause 2 reads as follows:

> The council shall investigate and report on all matters referred to it pursuant to subsection 1 and shall make such recommendations to the minister in respect thereof as it deems appropriate.

I am reading from clause 11, and I take it to mean the council will make recommendations to the minister in respect of the matters which the minister refers to it. Where is the provision, if there is one, to the effect that the council may make recommendations on all those maters which it undertakes of its own volition?

Mr. Hees: Well, Mr. Chairman, I think all those who listened to this debate would agree that one of the most important functions of the council is to automatically refer to the minister matters which it considers are of importance. I do not believe this function needs to be specifically set out. I can assure the hon. member for Skeena that when the council starts to operate there will be no doubt in the minds of the members of that council that I want referred to me any matters that they consider of importance or would like to refer to me. In fact I expect to be attending many of these meetings, because I am particularly interested in this matter myself. I assure the hon. member that there will be no lack of opportunity for the council to make its views known to me on any occasion upon which it wishes to do so. I will welcome those suggestions.

Mr. Howard: Then I feel that the bill should say so. If one refers to clause 11 of the bill one finds these words:

> The council shall investigate and report on all matters referred to it pursuant to subsection 1—

That is pursuant to the minister's action.

> —and shall make such recommendations to the minister in respect thereof as it deems appropriate.

Certainly I feel the council should undertake matters on its own volition, and there should be a similar statutory provision to enable the council to make recommendations and reports in respect of those matters. The minister's word may be fine and dandy. We accept the fact that he wants this to happen. However, if that is the intent of the law then that is what the law should say.

Mr. Hees: I am advised that although the wording of this bill is not the same as the

one which set up the original design council, the intent is the same. I believe the hon. member for Bonavista-Twillingate, who was at least partially in charge of the original council, will assure the hon. member for Skeena that there was no reluctance on the part of the members of the council to bring to his attention, at any and all times, matters which the council felt it would like to discuss with him. Is that not correct?

Mr. Pickersgill: That is quite correct.

Mr. Hees: I assure the hon. member there is no intention here of making it difficult for the council to bring matters to my attention. This bill simply seeks to carry forward the same spirit that was written into the original act. There was no difficulty in the operation of the original act, and I assure the hon. member there will not be any difficulty in operating under this bill.

Mr. Pickersgill: Perhaps I might be allowed to intervene to say that I am sure it is rather more difficult to get the minister's attention than it was to get mine.

Mr. Hees: I could not agree with that.

Mr. Howard: I do not want to belabour the point. However, it is not a matter of whether or not I desire to be assured or whether or not I am assured by the words of the minister. I believe his statement is correct as to the way in which council will operate. The point is, why does the bill not say so? If provision is made for this function in one instance, why is it not made in another?

Mr. Aiken: I do not want to prolong the debate, but it seems to me that clause 10 is very clear. The objects of the council are set forth in paragraphs (a) to (g). The council, I believe, is being set up primarily to assist industry not primarily to assist the government. I think the objects are set out and the council is told it must do certain things and may do other things.

The addition of the words suggested by the hon. member for Skeena would make no difference at all. The council is not required to report to the minister unless he asks for a report, and I do not believe this council should be under the thumb of the minister. If the minister wishes assistance from the council he may secure it under clause 11. Clause 10 sets out the duties and objects of the council, and I think it is a very clear statement of what is intended. I do not believe there is any need to report to the minister except in those instances in which the council feels it is necessary.

Mr. Chevrier: I wonder if the minister would allow me to bring to his attention under this clause a matter to which I have already referred under another heading. This clause deals with the objects of the council, which are to promote and expedite improvement of design in the products of Canadian industry. I refer now to a matter which I discussed earlier on the budget resolutions and also in connection with the legislation on class or kind made in Canada, but having to do more particularly with the textile industry.

At that time I brought to the attention of the Minister of Finance three pamphlets that were written by an expert in the field of textiles. These pamphlets were afterwards sent to his parliamentary secretary at the minister's request. I shall not discuss that aspect, which is not germane at the moment, but there is one part of it which I think has reference to the design council. A suggestion was made at the time concerning the establishment of a textile council. I suggested to the minister that perhaps what I had in mind, namely some agency which would give consideration to improving the design of certain groups of textiles in Canada, might be given some consideration under the aegis of the productivity council or perhaps by the establishment of a textile council. The Primary Textiles Institute has since written to the press commenting on many of those things that were put on *Hansard* at the time, and stating that the Primary Textiles Institute, which has been in existence for some years, has been giving consideration to these very matters.

I rise this afternoon to point to one example which was given by the expert whose pamphlets I have given to the Minister of Finance, and to which I am sure the minister would want to give consideration after he has listened to what I have to say. This expert said it may well be that the design of some of our textiles has not been given the attention it should receive. For instance, he said there was a certain piece of woollen goods—he was referring to a sweater—that could be purchased in Switzerland at a cost of some $25 or $30. This sweater was akin to one which could be produced at La Malbaie or Baie St. Paul for a much lesser amount, I think he said in the neighbourhood of $15. The wool is equally good, if not better, and the work is equally good, if not superior. However, the design does not compare with the design which was produced by the Swiss. It was his view that if the design of that particular commodity could be given to a group of experts who would work on it and make it more attractive, there would be a good demand for the article and it might not be necessary to import as many of these articles as we do.

I refer only, of course, to this particular item. The pamphlet I gave the minister dealt with many others. My only purpose in rising was to ask the minister if, when the council is established whose object will be to promote and expedite improved design for the products of Canadian industry, he would give consideration to these three pamphlets that are all ready in the hands of the Minister of Finance and according to which, in the opinion of this expert, if the design of Canadian textile goods were improved it could assist tremendously in the sale of those products not only in the province of Quebec but in the other provinces and the whole of Canada. I believe there are some 780 mills, mostly in central Canada but some in the west and some in the Atlantic provinces as well. My only purpose in rising is to ask the minister to be good enough to give this matter his careful consideration.

Mr. Hees: Yes, Mr. Chairman, I will certainly do so. I am very keen about the matter which the hon. member for Laurier has raised. I have been told by a number of women that women's and children's clothes in this country, in the matter of design, do not come up to those produced in the United States and other countries, and lose out in the market for that reason and for that reason only. I am told they lose out not because of price but because of design.

I can well imagine the instance brought forward by the member for Laurier. That is just the kind of case that I should like to see this design council take hold of and help the manufacturers and the mills to which he referred produce an article of at least as good design as or, if possible, of better design than that produced in Switzerland and in that way get a much better market for the Canadian product. I thank the hon. member for Laurier for bringing this matter to my attention.

The Chairman: Shall clause 10 carry?

Miss LaMarsh: There was one matter that I should like to mention with reference to subparagraph (g). The minister will recall, I think, that he attended a reception in the city of Ottawa about the end of last year at which an announcement was made with respect to a proposal to establish in Niagara Falls a permanent industrial exhibit. I should like to ask the minister whether, under this section, the design council will be responsible for participating in the sponsoring and arranging for such an exhibit showing particularly stylish displays of new Canadian materials in what is, after all, the foremost tourist centre in the whole dominion and a place which millions of people visit annually. It is perhaps the showcase in Canada for new and improved Canadian design. Is it anticipated that assistance—in a financial way, of course—might be given to such a permanent display under this particular clause?

Mr. Hees: No, not financial assistance. However, I feel sure that the council would encourage producers of certain light types of goods that could well be displayed at a centre of that kind to display their goods there. I am familiar with the particular centre about which the hon. member for Niagara Falls has spoken, because the mayor of Niagara Falls and a delegation came to see me about it several months ago. I was very much interested and assured them that I would give them all possible support and that I thought the idea was a good one. I still think so. I think it is a very forward looking step which the city of Niagara Falls is taking in this regard, and that the display centre will provide a very useful place for exhibiting Canadian products. More of this sort of thing is needed in Canada. I can assure the hon. member for Niagara Falls that we will give it every possible assistance.

Mr. Denis: While the hon. member for Niagara Falls was speaking I noticed that she is a woman of good taste. Everyone knows that women are noted for good taste. I wonder whether the minister should not consider the advisability of naming a woman as a member of this design council, and a young man as well. If you want to follow the fashion, you are usually young. Consider a man of my age for instance. I think the minister should consider the advisability of naming as members of the design council a woman and a young man.

Mr. Hees: There is no limit one way or the other as to the ages of these people we appoint to these councils. As I said earlier, we want to get the best possible people, those who can make a really worth-while contribution. In my experience young men and young women always make a good contribution to deliberations of this kind. I feel sure that young people will be represented on this council, having in mind the ability they have demonstrated in the past and the contribution we feel they could make to the work of the council. I might say that the lady representative on the productivity council, Miss Anna Speers, is making a good and useful contribution, and I feel sure that if there was a woman representative on this council she would make an equally good and useful contribution.

Miss LaMarsh: I wish to inquire of the minister about one other matter. This morning I mentioned certain things which the

national industrial design council had proposed for this year, and particularly awards of merit in a competition that is to be decided in the fall of this year. Am I to understand that the work which is already in train under the Department of Citizenship and Immigration will be carried on uninterrupted, at least until this program is completed, under this bill?

Mr. Hees: Yes, I am assured that any work that has already been started by the council will be carried on.

Miss LaMarsh: Is it anticipated that the same personnel will be carried over to the minister's department?

Mr. Hees: Yes, it is my understanding that is going to be done.

Mr. Herridge: I have a question with regard to paragraph (f) of clause 10, which reads as follows:

(f) grant or issue certificates, citations or awards of merit in respect of Canadian products of outstanding design;

Can the minister inform the committee whether these certificates, citations or awards of merit have been decided on, or what form they are expected to take?

Mr. Hees: No, they have not been decided on. These are matters which the council itself will decide once it is set up.

Mr. Pickersgill: Is it not the intention to follow the pattern that has been established by the existing design council in this matter? The minister must be aware that these awards have been made over the years and that a certain standard has come to be accepted for these things. I think it would be too bad to change that pattern.

Mr. Hees: Yes, it is our desire to carry on with the usual formula, but we are not limiting the work of the new council before it has been set up. It will, I feel sure, carry on the same general program. However, it must feel free to make whatever changes it, in its wisdom, considers are improvements.

Clause agreed to.

On clause 11—*Reference to council.*

Mr. McMillan: Clause 11 has to do with what the minister may refer to the council, and provides that the council shall investigate and report on all matters referred to it in pursuance of subsection 1. I was wondering whether this council could be called on to report on products admitted to Canada bearing a Canadian design. I have in mind a number of products. One in particular has to do with salmon that was imported from Japan. A year or two ago I saw a number of cans of salmon that bore the maple leaf design and on which in small letters appeared the words "Processed in Japan". I think this is pretty close to deception. People bought this salmon thinking they were buying salmon which had been processed in British Columbia. I should like to have the minister's comments on this subject.

[Miss LaMarsh.]

Mr. Hees: These matters would not be examined by the design council itself, but they are of vital interest to my department. If the hon. member knows of an example such as he has mentioned, and would write me a letter about it, or if he prefers, discuss it with Mr. Dennis Harvey, the assistant deputy minister in charge of the commodities branch of my department, we will be very glad to look into the matter. These matters are looked after by the department itself, and not by the design council.

Mr. Howard: Mr. Chairman, we have had problems precisely the same as those related by the hon. member for Welland. We had this problem a few years ago, when salmon caught and packed in Japan was exported to Canada and sold under the labels of Canadian companies. The words "Produced in Japan" were printed along the side of the label, but so close to the gummed portion, which overlapped, that often the words "Product of Japan" were covered by the gummed portion of the label. But we did not deal with this matter through the Department of Trade and Commerce; it was dealt with through the Department of Fisheries. I wonder whether there is a conflict of activity here, or is it purely within the Department of Fisheries or the Department of Trade and Commerce?

Mr. Hees: Mr. Chairman, I can assure the hon. member for Skeena that we do not wish to overlap the jurisdiction of any other department. I think he and the hon. member for Welland will agree that the important thing is to have these matters dealt with efficiently and quickly.

Rather than direct the hon. member to other departments, if he will direct his inquiry or give any information that he has about this matter to my department, we will work with the Department of Fisheries. If it falls outside our jurisdiction, we will hand it over to them or any other department under whose jurisdiction it may come.

As the Department of Trade and Commerce, we are particularly interested to see that the kind of thing which has been mentioned by the hon. member for Skeena and the hon. member for Welland should not continue.

Mr. Herridge: Mr. Chairman, I have just one question on clause 11 (1), which states:

> The minister may refer to the council for its consideration and advice such matters relating to the promotion and expedition of the improvement of design in Canada or otherwise relating to the operation of this act as he thinks fit.

My question is this. From what source would the minister accumulate information which he would refer to the council for consideration, as indicated in clause 11 (1)?

Mr. Hees: Mr. Chairman, a good example was given by the hon. member for Laurier a few minutes ago. The hon. member raised the example of sweaters that are manufactured in certain centres in Quebec and which sell at about half the price of sweaters imported from Switzerland. As the hon. member pointed out, the sweaters manufactured in Quebec are better made and are of better material. The only factor that mitigates against their ready sale as opposed to the Swiss article is that they are not as well designed.

I would refer a matter such as that, when brought to my attention, to the president of the design council and ask him to look into it, the idea being that if the mills in Quebec can be shown how they can improve their design, it is obvious that they will get a very much bigger market in Canada for their product.

I believe with a product of this kind we would develop an export market, because obviously the Swiss article is finding ready sales throughout the world—it is finding sales in Canada—and I would like to see the Canadian product moved into the world market and displace the Swiss article.

Clause agreed to.

On clause 12—*Staff*.

Mr. Pickersgill: Mr. Chairman, I must say that the language of clause 12 (2) seems to be singularly indirect, to put it mildly. Apparently, if one reads it correctly—and I should like the minister to tell me whether I am reading it correctly—persons other than the officials of his department can be appointed to serve the design council, with the approval of the treasury board. But even Mr. Mackenzie King at his most deft could not have put it in a more negative way than it is put in this clause.

I should therefore like to know whether this clause does mean that if the design council is unable to find anyone in the Department of Trade and Commerce with sufficient leisure and sufficient capacity at the same time to perform the functions it needs, and if they can convince the minister that those functions are important, other persons can be employed for more than merely temporary periods or for specific work?

Mr. Hees: As I read the clause, it means that if the council needs additional help for temporary periods, which cannot be provided from within the government, it may acquire that help from outside the government, but it must first receive permission of treasury board to take on that extra help.

That is my interpretation of it, and I am assured by my official here that this is the correct interpretation. I am very glad it is. Therefore I am pleased to assure the committee that this is the interpretation.

Mr. Pickersgill: In other words, it will not be possible to appoint anyone permanently; that is what the minister is saying.

Subclause (2) says:

> —the minister may provide the council with such professional or technical assistance for temporary periods or for specific work—

I do not imagine the minister would embark upon specific work that was eternal. The minister is not going in for salvation in that sense. Therefore can we take it that there will be no permanent staff whatever for the design council except officials of the Department of Trade and Commerce?

Mr. Hees: Yes, that is correct; any staff will be provided from the Department of Trade and Commerce.

Mr. Herridge: Mr. Chairman, could the minister give the committee an idea of the number of persons and employees of his department who are at the present time or may be in the near future engaged in this work? What number does the minister contemplate?

Mr. Hees: I understand that there will be no more than about six on the staff at the present time. I am afraid I could not give an estimate as to the exact size of the staff that will be required once the council gets into full swing.

Mr. Pickersgill: I have another question, Mr. Chairman. The minister says there are six members on the staff, or not more than six. I hope the minister knows how many there are, since he is spending the taxpayers' money.

An hon. Member: He has just told you.

Mr. Pickersgill: He said there were not more than six.

Mr. Hees: I am assured that there are six.

Mr. Pickersgill: I should like to know the status of those people. Are they members of the staff of the Department of Trade and Commerce? If they are not, or if they do not

become members of the department before this bill comes into operation, they will join the ranks of the unemployed?

Mr. Hees: They are members of the staff of the Department of Trade and Commerce.

Mr. Pickersgill: Could the minister say how and when they became members of the staff of the department? They certainly were not members of the staff of the Department of Trade and Commerce when the design council was under the national gallery.

Mr. Hees: Yes, they were transferred from the national gallery to the Department of Trade and Commerce some time ago.

Clause agreed to.

On clause 14—*Financial.*

Miss LaMarsh: Mr. Chairman, has the hon. minister some idea of what amount of money is intended to be expended? Is this to be increased over and above what has been spent in the past, in conformity with the statement the minister made this morning that there will be increased vigour and attention paid to this matter now?

Will there be any limit to the expenditure in this connection? I see there is apparently no limit to the expenditure that will be made, as there was in connection with the productivity council.

Mr. Hees: I am afraid I do not know what money is going to be required. When the council is set up and starts laying out its program, we will have some idea. I can assure the hon. member and all hon. members of this committee that money will not be wasted.

I cannot think of any better way in which money can be spent than by a council of this kind. It will operate at a very minimum of expense to the government. As the hon. member will have seen, there are no salaries paid to the members of this council. Their travelling and living expenses while away from their normal places of residence will be paid by the government. But I think when you consider the tremendous value that we get from groups of public spirited citizens such as those who will be making up this council, and who make up other similar councils which serve the government and the people of Canada, it will be seen that the government and the people receive tremendous service far out of proportion to the cost in dollars and cents.

I can assure the hon. member that expenditures on behalf of the government will be kept to a minimum and again I say I can think of no better way in which this money can be spent. I have here the figures for next year's estimates of what the industrial design branch of my department will be spending but they have no relationship to the industrial design council itself. I can only say again that any expenditures made in this regard will, I think, be returned to the Canadian people many times over by increases in sales and the increase in employment which we hope will accrue from our being able to develop designs superior to any we have been able to develop in the past.

Miss LaMarsh: I am concerned about some of the specific objects set forth in clause 10. One has to do with making grants or scholarships to individuals or institutions. Is it contemplated that the new council will have a large and expanded role in awarding scholarships to designers to study here and abroad? Has any consideration been given to how much money might be made available for such expenditures by the council?

Mr. Hees: These are all matters which will receive a great deal of study by members of the council when the council is operating. I have no idea what the council will recommend to me. We hope to get very good people to serve on this council, people who are very keen and who know a great deal about design. I feel the recommendations they will make will be good and sensible ones and I can assure the hon. member that we shall study them carefully. We shall not go over board in connection with this matter and we shall agree to expenditures only after a good deal of consideration, but just exactly what those expenditures are likely to be and how much they will amount to I cannot tell until the council has considered these matters and made recommendations to me.

Clause agreed to.

On clause 15—*Report.*

Mr. Howard: I have been comparing this bill with the bill which sets out the duties of the national productivity council. I am sure it is the intention of the minister to have the report of the design council included in the annual report of his department. However, the act setting up the national productivity council provides that the report of that council shall be tabled in parliament within 15 days of its receipt, I believe it is, or within 15 days of the opening of the next sitting of parliament. I wonder why a provision similar to that has not been included in this bill.

Mr. Hees: The productivity council is allotted money of its own over which it has jurisdiction, specifically $150,000 a year. Any moneys that are expended by the national design council come directly from the Department of Trade and Commerce. When my estimates are being examined next year I shall be only too glad to answer any questions

regarding the expenditures or operations of the design council just as I would with regard to the operations of any branch of the department.

Mr. Howard: I wonder if it really is connected with whether or not the productivity council has finances of his own while this council operates through the funds and staff of the Department of Trade and Commerce. Surely there are other factors. I read in the act which sets up the national productivity council, or more correctly, from the bill which was placed before this house, that the chairman of the council is required within three months after the termination of each fiscal year to submit to the Minister of Trade and Commerce and to the Minister of Labour a report of all the proceedings carried out under the act for that fiscal year, including the financial statement of the council. Thus, the productivity council has two subjects upon which to report. The financial operations for that year are included, and then there are the other proceedings. It would seem to me that a sensible course would be to require the chairman of the council to submit to the minister a report of the operations of the council within three months after the termination of each fiscal year, an obligation similar to that which is placed upon the chairman of the productivity council in accordance with the act to which I have just referred. Why should such a report not be tabled in parliament together with reports of other councils and agencies, crown corporations and the like?

Mr. Hees: Other crown corporations and boards are voted specific sums of money and they operate more or less independently. This council will derive its money directly from the department. Its staff will be members of the Department of Trade and Commerce and it will derive from the department itself any money which needs to be expended. It will therefore be in the same position as a section of my department. It is not given a block of money and told to go ahead and operate. It operates in a different way and, as I say, at the end of each year when my departmental estimates come before the committee of the whole I should be glad to answer any questions and give any accounting that is asked for regarding this council. There will be no concealment from members of the committee of any activities or expenditures. They will be able to fully examine those expenditures by asking me questions and I shall be glad to answer them. I hope I have made that clear.

Mr. Howard: The minister has made that part of it clear, but I do not think his answer completely covers the point I raised. Let us consider the workings of the department over which the minister formerly had the honour to preside, the Department of Transport. That department looks after the Canadian maritime commission which makes a separate report, and yet the commission receives money voted by parliament to the Department of Transport. The penitentiaries branch of the Department of Justice also comes to mind. That is a separate branch within the Department of Justice and it makes a separate report, though its sole income is that voted by parliament. Consider, also, the position of the director of research and investigation in connection with the Combines Investigation Act. He receives funds from the Department of Justice. The combines branch has no money of its own other than that which comes from the department, yet a separate report is made. Here are two or three instances which come to mind immediately of bodies which receive money only as voted by this house, yet they make reports which are tabled in parliament.

Mr. Chairman, I am asking why the report of this council will not be tabled in the house. I am not referring to any attempt by the minister to hide anything. I think we all realize that the minister will, as he has assured us, answer any questions we wish to put forward but I am wondering why this report will not be tabled.

Mr. Hees: As the hon. member knows, the Minister of Trade and Commerce issues a report of his department's activities each year. Included in that report will be a report of the industrial branch of my department, and as part of its report there will be the report of the industrial design council. All hon. members will receive a report of the activities of this branch and of the industrial design council each year in booklet form as part of the total report on the activities of my department.

Mr. Howard: That is the answer to the question I asked in the first place.

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read the third time?

Mr. Pickersgill: At the next sitting of the house. We ought to see that amendment printed.

COAL

AMENDMENTS TO AGREEMENT WITH BRAS D'OR COAL COMPANY LIMITED

Hon. Paul Comtois (Minister of Mines and Technical Surveys) moved that the house go into committee to consider the following resolution:

Bras d'Or Coal Agreement

That it is expedient to introduce a measure to authorize certain amendments to the agreement made under the Coal Production Assistance Act with the Bras d'Or Coal Company Limited for the purpose of postponing the commencement of repayment of the loan made to the company thereunder to the 31st day of December, 1962.

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

Mr. Comtois: Mr. Chairman, the purpose of this bill is to permit the company—the Bras d'Or Coal Company Limited situated at Broughton, Nova Scotia, not far from North Sydney—to defer payment of moneys loaned under the Coal Production Assistance Act. That act provides that repayments shall be made at the rate of 30 cents per ton on coal produced. The company used the money provided to buy a specialized mining machine intended specifically to increase efficiency and production. The repayment would come, in large part, from the coal produced by this machine.

In early 1959 there was an unexpected fall of ground in the mine which cut off the area where this machine and others were operating. This not only reduced the production on which the repayment was based but also forced the company to secure new machinery and spend considerable capital on a new approach to the affected area.

At the present time, the new workings have almost reached the buried machines, but it will take some time before they can be taken out of the mine, inspected, put back into operating condition, and replaced in the mine. They will not, therefore, be available for producing coal on which to base repayment, until this is completed. Because of this accident, and to conserve the working capital position, the company has requested postponement of the first repayment date to December 31, 1962 without deferment of the date on which, under the act, the final payment is due.

I must also say, Mr. Chairman, that this company obtained the first loan early in 1959 for the purpose of buying machinery to increase its production. The accident happened, the company had to stop operations, and was forced to apply for a new loan. The first loan has been regularly paid under the conditions of the loan in the amount of $14,000. Repayment has not taken place yet regarding the second loan and the company is now asking to defer the first instalment for two years.

Mr. Pickersgill: Mr. Chairman, in the light of the explanation given by the Minister of Mines and Technical Surveys, I do not think that I, or any of my friends on this side of the house, would be prepared to argue that this bill, by itself, does not represent the expedient thing to do under the circumstances.

I must say that I feel rather sorry for the minister in having to introduce this bill at this particular time, but because of the fact that this bill really preserves the working capital of this particular company and enables it to go on with its operations it must be doubly comforting to the minister in the light of the unpleasant news that he undoubtedly read in the Halifax *Chronicle-Herald* of April 28 under the large red headlines "Dosco Files Formal Notice—Glace Bay Mine to Close May 31". I do not intend to go into this in any detail but we do know now that it appears that three mines are going to have to be closed in Cape Breton this year unless the federal government is able to find some means of doing something about the situation.

There is no doubt that what the minister is doing now is taking one tiny nibble—not even a bite—at a problem which is so vital to the interests of one of the ten provinces of Canada that it is in every respect a national problem amounting to a crisis.

I feel that in saying anything about this particular measure that the government is proposing to bring in, one cannot help but say that it would have been more expedient if the government had come forward with—perhaps not a solution to the problem because I do not think the government, or anyone else at this time, has any assurance of a solution—but some steps to be taken to make sure that these mines are not closed or—

Mr. Aiken: Mr. Chairman, I rise on a point of order. I have not interrupted the hon. member before now because I thought he was going to make some passing reference to other mines or the coal situation generally. I would suggest, however, that a general discussion regarding the coal situation, if the hon. member intends to go further, would be out of order.

Mr. Pickersgill: On the point of order raised by the hon. member for Parry Sound-Muskoka, I would agree that if we were on the bill, of which we only have notice here, it would be quite inappropriate to discuss anything except the principle of the bill. But what we are doing here, and this has often been discussed before on points of order at the committee stage of a financial resolution, is to decide whether or not a particular sum of money should be spent out of the treasury.

I say, sir, without any fear of contradiction, even by hon. gentlemen opposite, that this is one area where it would be more expedient—I follow the language as nearly as I can—to spend more money out of the treasury in order to avoid what in my opinion will be something closely approaching a national calamity. It is on that basis that I

feel what I have been saying is quite appropriate. I would think it would not be appropriate to embark upon a general debate on the coal industry, but all I intended to do was to suggest in a very brief sort of way how an alternative resolution would be much more acceptable to certain members of the committee than the resolution we have before us. I grant you, sir, that I am under certain limitations in doing so. I am a member of the opposition and while it is true that I happen to be one of Her Majesty's privy councillors I am temporarily unemployed in that capacity. Unfortunately, however, there are many of Her Majesty's subjects who are going to be unemployed for a very long time if we do not grapple with the problem in Cape Breton in a more effective way than this resolution does.

Everyone agrees that we cannot mine coal just to build it into mountains. The minister did try that for a while and he became discouraged with that policy. I must say I should like to congratulate the minister, the coal board and everyone in the federal government who had any part in convincing Ontario hydro that they should use some of this coal. I am sure the minister was quite cheered up by that as was everyone who has at heart the interests of the people of that area. But there again, sir, one wonders whether it would not be more satisfactory to be generating electricity with that coal in Nova Scotia and using it in Nova Scotia.

The Chairman: Order. I do not know at what point the hon. member stopped discussing the point of order but I am quite sure it was some time ago. I must say I have not been convinced by his argument that because we are at the resolution stage we can discuss any alternative proposal in the way he put it. I think the subject before the committee as outlined by the resolution is a very limited one. The resolution refers only to postponing the commencement of repayment of a loan because of a certain accident. Therefore I am sure the hon. member will agree with me that under such circumstances we are not permitted to discuss the coal situation in general. I felt that the hon. member could make some passing references to it but now I think he is going further than that.

Mr. Pickersgill: In that case, sir, I shall be obliged, I suppose, to point out reasons why I do not think it is expedient to proceed with this resolution at this particular moment. I am sure Your Honour would not object to my taking that line of argument. I do not think it is expedient to proceed with this resolution until the government has laid before us a program to deal with the much larger and more serious problem which is imminent in Cape Breton at the present time. I say that for many reasons, not the least of which is the fact that the house is sitting very long hours and that we could economize on the time of the house if the government had brought in one single resolution dealing with the whole problem instead of taking this piecemeal approach to the problem.

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

Mr. Pickersgill: Certainly.

Mr. MacInnis: Is it the hon. member's intention in putting forward this argument that the smaller operations in Cape Breton should be sacrificed while at the same time the government is making every effort to maintain the larger operations? Is the hon. member going to vote for this measure? Does he consider that the smaller operator also has to be taken care of?

Mr. Pickersgill: At the conclusion of my remarks I will be very happy to answer the question of the hon. member for Cape Breton South who, I am sure, is just as much concerned as I am with the well-being of the coal miners. As I was saying, it does seem to me that it would have been more expedient at this time, when the problem has already become urgent, to have brought in a resolution, to have dealt with the real problem of the area. Although the problem involved in the resolution now before us is one which ought to be dealt with and, it seems to me, is perhaps by itself being dealt with in the right way, it is nevertheless a very minor problem.

If at the same time the government could have brought in its resolution indicating what it proposes to do about the closing of mines in Cape Breton and, above all, what it proposes to do to provide not just relief but alternative employment for the people in this historic area of our country, it seems to me we would have been able to accept this resolution with a good deal more satisfaction than is possible having regard to the unfortunate circumstances which prevail at the present time and about which, I regret very much to say, the ministers seem to have nothing to propose.

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, since the Bras d'Or Coal Company is located in my constituency I thought I should like to say a few words on the resolution. The Bras d'Or Coal Company is a member of the Nova Scotia independent coal operators' association and among the members of that association are Campbell Mine Limited, Chestico Mining Corporation, S. J. Doucet, Drummond Coal Company Limited,

Evans Coal Mines Limited, Greenwood Coal Company Limited, Indian Cove Coal Company Limited, Joggins Coal Company Limited, River Hebert Coal Company Limited and the Springhill Coal Mines Limited.

If I may give a little of the background of the independent mine operators, I should like to point out that in 1959 these operators produced 376,454 tons of coal with a labour force of between 750 and 800 miners. The labour force was approximately 10 per cent of the miners employed in Nova Scotia. Their production has a reported value of approximately $4 million.

The importance of coal mining in any community is understood better when one realizes that 60 per cent of the value of the coal produced is represented by wages and employee welfare benefits and that the major portion of the remaining 40 per cent is spent within the community on the purchase of power, pit props and timber, transportation and so forth. It is my opinion that the importance of the independent coal operator to his community cannot be minimized and that any future assistance rendered by the federal government and the government of the province of Nova Scotia cannot exclude the independent operator. The 1959 report of the dominion coal board discusses the crisis in the coal industry and the reasons for the impact of bad times in Nova Scotia. The report contains the following short comment:

> The first of them is the extent of the dependence of Nova Scotia upon coal. There is no counterpart in the economy of any other province to this degree of dependence.

The Chairman: Order. I think I must draw to the attention of the hon. member the fact that I ruled the hon. member for Bonavista-Twillingate should not be allowed to debate the coal situation in general. The same ruling, therefore, would apply to the hon. member. As I indicated, the scope of the resolution is very narrow because it refers to the loan made to one company and suggests the postponement of the repayment of that loan because of a certain accident. I, therefore, would ask the co-operation of the hon. member.

Mr. Pickersgill: I hasten to assure Your Honour that if Your Honour wishes to relax the rules for both sides there will be no objection from the official opposition.

The Chairman: But there might be from some quarters that we do not suspect at the moment.

Mr. Muir (Cape Breton North and Victoria): With due respect, Mr. Chairman, I may say that I realize the situation. I was trying to lay a certain foundation for my future remarks. Surely, even you, Mr. Chairman, would not expect me to stray as far away from the subject as the hon. member for Bonavista-Twillingate.

There was only one more sentence in this quotation:

> There are estimates that coal is the basis, directly and indirectly of about 25 per cent of all Nova Scotian economic life and activity.

By passing the resolution before us, we will be assisting in a small way in alleviating the crisis I have just mentioned. The Bras d'Or Coal Company has been in business for almost 50 years. The present company was organized in 1916. I should like to say a few words about this company because I speak from personal experience, having worked in the mines for 15 years with the independent operators and for nine of those years I was with the Bras d'Or Coal Company.

As I said, the present company was organized in 1916. They took over the old mine of the Colonial Coal Company at Bras d'Or, which is more commonly known as the Toronto mine. When this mine was worked out, the Franklin mine was started, and it was located just outside of Florence. This mine has now closed. This is the mine with which I am more familiar, having worked in it. During that period I suffered a fractured spine as a result of a rock fall and I also experienced a mine explosion which terminated my duties underground. The Franklin mine was the first in Nova Scotia, possibly in all Canada, to be fully mechanized. It had a fully mechanized coal mining and loading system. This company was also the first in Nova Scotia to develop and prepare properly screened and sized oil treated coal for domestic use. This market development started as far back as 1913. I may say they have a group insurance plan for their employees which was started about 1927 and is still in operation. The company contributes one third and the employees two thirds of the cost.

At the Four Star mine, which is the one with which the resolution is concerned, they installed the first slope belt conveyor by means of which the coal is moved directly from the coal face to the surface preparation plant by a series of conveyors. This installation was made possible by a loan from the coal board which, I understand, was repaid in full. Then they purchased a Joy continuous miner with a second loan from the coal board and, I understand, this loan was also fully repaid. A third loan was obtained for an additional machine which was lost as a result of a creep in the mine. A creep is a cave-in whereby the roof and the floor come together. Naturally this creates a disastrous

situation. This machine was lost before it had mined more than a few thousand tons of coal. It took 19 months to circumvent the disaster area and get to the point where it was felt it might be possible to reclaim the equipment. I have been informed within the last few days that they have been able to break through in these workings and locate these machines.

The company lost a total of some $350,000 worth of equipment in the cave-in. It is hoped that they will recover some $150,000 worth and put it back in service again. If they are able to recover the two Wilcox miners which are presently under water, the amount of the loss might be considerably reduced. The men employed here are all members of the united mine workers of America and, so far as I know, their relations with the company are very good. From experience I can tell you that during the years I was with the company their relations with the union were always very good. The company was most co-operative at all times. The only difficulty has been that the Bras d'Or Coal Company has never had what we would call a decent coal seam to operate. They have been mining marginal deposits, thin seams which were subleased from others. It is only too bad that they did not have some of the seams that are in mines being closed by the Dominion Coal Company. In the last few years, the company has never been idle as a result of lack of orders. There was some idle time after the cave-in, but they have never been idle as a result of lack of orders. I believe it is quite possible others could learn from these independent operators about coal mining and the selling of coal. It may be that they have not made too much profit. If they had, I doubt if they would have been borrowing money from the coal board as they did.

The company has been able to keep on a full working force and has even gone to the extent of stockpiling coal in the summer at considerable extra expense. I hope they will be able to continue that practice this coming summer. All the independent coal companies in Nova Scotia are in much the same position as the Bras d'Or Coal Company, and none of them has coal of a quality approaching that found in mines operated by the Dominion Coal Company. None of these companies receive as much by way of freight subvention as the Dominion Coal Company. The Dominion Coal Company receives $8.75 per ton to Ontario, whereas the independent operators are restricted to $5.00 per ton to the same area. Dominion gets a freight subvention on water carried coal to Montreal plus a backhaul, and an additional amount for furtherance inland, whereas the independent companies get only a percentage of the rail freight from the mine to the consumers' town or city. This puts the independent operators at a decided disadvantage in Ontario and in the eastern townships of Quebec.

Recently the independent coal operators of Nova Scotia presented a brief to the minister. I think the points they have in their brief have a bearing on the future operations of these companies as well as on future loans they may have to secure from the dominion coal board. In that brief they request that no limitation be placed on the production or distribution of coal mined by independent coal operators; that they be treated as an integral part of the Nova Scotia coal industry and not discriminated against by federal government action merely on the basis of size. I have mentioned the subventions that were available.

The Chairman: I think the hon. member is again straying from the subject matter of the resolution. If he has exhausted his remarks with regard to the resolution, I would ask him to permit the next speaker to take the floor.

Mr. Pickersgill: On the point of order, Mr. Chairman, you have raised, I would submit my hon. friend has related the subvention question very directly to this question by saying that the subventions would have an effect on the capacity of the company to repay the loans which we are now discussing. I feel that this particular observation of the hon. member is relevant to the resolution and that he should be permitted to complete it.

Mr. Herridge: On the point of order, Mr. Chairman, I want to assure you that there is no objection from the quarter from which you suspected there might be objection with respect to allowing both sides of the house certain latitude on this resolution.

The Chairman: I want to assure the hon. member for Kootenay West that the corner I suspected is not that about which he is thinking. I was rather thinking of hon. members in other parts of the chamber who may not have the same interest in this limited problem as have hon. members who have already taken part in the debate.

To the hon. member for Bonavista-Twillingate I must say this. If I accepted his viewpoint I doubt that I could attach any meaning to the word "relevancy". Relevancy is something which may vary, of course. However, it is a matter which cannot be interpreted as meaning the acceptance of any argument which, in the view of an hon. member, may be justified.

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, I quite realize the difficulty there is in keeping some unruly members in their proper position. At this time I should

like to cease my remarks on this point because, considering the source from which the assistance has come—it was from directly opposite me—I am rather wary of it.

An hon. Member: You had better be wary of it.

Mr. Muir (Cape Breton North and Victoria): As someone said, beware of the Greeks bearing gifts. I certainly feel that way at this moment. However, if I may, I shall continue on another point, namely the problem that is facing the independent operators today.

Based on the situation of the independent operators and this loan that has been made, there is some fear in the hearts of a company like the Bras d'Or Coal Company Limited that the recommendations in the recent Rand report—and I do not intend to go into that matter at this time—discriminate against the independent operators in Nova Scotia. I would therefore suggest that the plight of the independent coal operators be investigated thoroughly before any new policy is brought down.

I could go into details on the other matters mentioned by the hon. member for Bonavista-Twillingate, but since I am rather confined and restricted on this occasion, probably an opportunity will arise in the future for me to do so. It is interesting to note, however, that during the period from 1936 to 1956, a period of Liberal reign provincially and federally, 64 coal mines closed in Nova Scotia, and the hon. gentleman was a member of one of those governments.

The Chairman: Order. I think the hon. member has just demonstrated why it is extremely important to apply the rule of relevancy.

Mr. Muir (Cape Breton North and Victoria): I am sorry, Mr. Chairman. Before resuming my seat I should like to take this opportunity to urge the Minister of Mines and Technical Surveys and the government to get cracking on the problem confronting the miners of Cape Breton. Every effort must still be made, despite the views of the company concerned, to delay if at all possible this proposed closure of mines, to make plans for the workers involved in the event of closure and to announce those plans as soon as possible. With these few remarks I would urge this committee to give quick passage to the resolution before us because this company is very worthy of consideration.

Mr. Chairman: Shall the resolution carry?

Mr. Pickersgill: Just before it carries, I want to indicate that not only are we in the official opposition completely in support of this resolution but that if, when the resolution is carried, the minister—because I understand there is a problem of a date on which the loan must be extended and so on—would like to proceed with the other stages of what is, after all, a purely routine measure involving nothing new, there would be no objection from the official opposition.

Mr. Herridge: On behalf of this group I want to say that we support this measure and will do all we can to facilitate its passage.

Resolution reported and concurred in.

Mr. Comtois thereupon moved for leave to introduce Bill No. C-87, to authorize certain amendments to the agreement made under the Coal Production Assistance Act with the Bras d'Or Coal Company Limited.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the said bill be read a second time?

Some hon. Members: Now.

Mr. Pickersgill: By leave.

Mr. Comtois moved the second reading of the bill.

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

On clause 1.

Mr. Caron: Is the bill printed in both French and English? We have no copy of it. *(Translation):*

Mr. Comtois: Mr. Chairman, in reply to the hon. member for Hull (Mr. Caron), I must report that four or five copies of the bill have been distributed.

It is only a matter of amending an existing bill in order to give to the debtor company, the Bras d'Or Company, more time for its payments. That is the only amendment to be made.

Mr. Caron: Mr. Chairman, I will not insist, but as a matter of principle and in the normal course of things bills should be available to us in both French and English on first and second readings. But I will not press the matter any further, since we are dealing with a single amendment.

Mr. Bourque: Mr. Chairman, if four copies of the bill were printed, I do not see why the printer could not run off a hundred copies while he was at it; it would only take four minutes to print an additional 96 copies.

The Chairman: Order. If hon. members object because there is no French version of the bill, we cannot proceed with it. However, the house had agreed to take it up, although,

normally, second reading was not due until tomorrow or some other day. Therefore, if there is no objection—

Mr. Bourque: Mr. Chairman, I for one have no objection; but it has been mentioned that only four copies were printed. Now those machines can turn out as many as 5,000 copies per hour. Consequently, I do not see why enough copies could not be produced.

Mr. Ricard: They never found out about this in 20 years.

The Chairman: I understand copies will be forthcoming in a few minutes, so if hon. members care to wait a bit—

(Text):

Mr. Pickersgill: Mr. Chairman, I wonder whether in the circumstances, in view of the fact that we did consent to second reading and we are now in committee, it could be understood that we will not proceed to third reading without having copies of the bill available in both languages. I wonder whether that would meet all the difficulties.

The point is very well taken, of course, that the rights of the two languages are absolutely equal in this house and the bill should be in both languages. Of course, if we had not facilitated second reading today, by the time it would normally have been dealt with tomorrow the bill would have been printed in both languages.

All these bills have to be translated and printed anyway. One wonders whether perhaps more precautions could be taken to see that there are a few copies in each language before even the number is put on. Then embarrassments of this kind would not arise in the future.

Mr. Comtois: I must admit, Mr. Chairman, that I did not anticipate the bill being given second reading this afternoon. Therefore I did not ask for or require any more copies. I expected the bill would come up for second reading late tomorrow.

I had an understanding with the hon. member for Bonavista-Twillingate—

Mr. Pickersgill: With respect to second reading.

Mr. Comtois: —and I am afraid I did not anticipate this happening.

Mr. Bourque: Mr. Chairman, the point I was making is that on many occasions since I have been in this house the government has said, "We have only four or five copies".

The printing presses run at about 5,000 copies an hour and there is no reason why, if they have four or five copies, they cannot have 250 copies just as easily.

(Translation):

Mr. Denis: Mr. Chairman, following your statement that four French copies of this bill have been distributed, I would point out that there are more than four French-speaking members in the house, both on the opposition side and on the government side. Furthermore, the minister who proposed the amendment is French-speaking.

The Chairman: I have already stated that if there were any objection, the committee could not proceed with the bill if it is not printed in both languages.

Mr. Denis: Mr. Chairman, I think we can withdraw our objection, provided there is no recurrence of such incident.

The Chairman: I also wish to be sure that there will not be any recurrence on the hon. members' side.

(Text):

Clauses 1 and 2 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read a third time?

Mr. Pickersgill: Next sitting of the house.

ARMY BENEVOLENT FUND ACT

AMENDMENTS TO INCREASE RATES OF INTEREST, PROVIDE FOR ADMINISTRATIVE CHANGES, ETC.

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

That it is expedient to introduce a measure to amend the Army Benevolent Fund Act to increase the rates of interest to be credited to the fund by the receiver general semi-annually on the minimum balance to the credit of the fund in each month; and to provide for certain changes in connection with the administration of the act.

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

Mr. Churchill: Mr. Chairman, I have a short statement to make in connection with the proposed bill. The Army Benevolent Fund Act was passed in 1947 to establish a fund for the benefit of those who served in the Canadian army during world war II.

During the war extensive services were performed for the troops by various agencies, including several auxiliary services organized

in Canada and the navy, army and air force institute, in the benefits of which the Canadian forces participated.

The moneys accumulated by these services, and some additional funds which became available from sales on troopships and the sales of kitchen by-products, were gathered together and added to the moneys remaining in the regimental funds of army units. The total amount of all these moneys was somewhat over $9 million.

The act of 1947 established the army benevolent fund board for the administration and distribution of these funds. Since that time the board has continued to operate in a satisfactory way with the assistance of provincial committees, and up to March 31, 1960, distributed nearly $6 million. In their endeavour to continue the measure of assistance which was originally contemplated, the expenditures from the fund have so far been somewhat greater than planned.

In 1952, in order to help this situation some assistance was given by increasing the rate of interest payable on the fund. If hon. members wish to refer to that earlier debate, they will find it in *Hansard* for June 10, 1952, on page 3108.

The main proposal of the present bill recognizes the same problem, together with the well-known fact that rates of interest have been consistently higher than now authorized by this legislation. Therefore an increase of one half of 1 per cent is proposed.

This would increase the rate payable to 4 per cent per annum to the extent that the minimum balance of the fund does not exceed $5 million, and 3 per cent per annum to the extent that the minimum balance exceeds $5 million.

The estimated annual cost to treasury of this proposed amendment is $32,000, which will of course reduce as time goes on. The opportunity has also been taken to include two comparatively minor administrative amendments to the act which are found to be desirable.

The first of these is to allow the army benevolent fund board to set the salary of the secretary of the board. The salary of $6,500 a year now contained in the act was set in 1947 and has never been changed. In the interval there have been a number of general salary increases throughout the civil service, and it is thought only appropriate that the salary of this officer should not be restricted as it is at present. The board now has the authority to incur other administrative expenses, including salaries for its other employees.

The second minor amendment deletes from section 11 of the act a requirement which does not now and in fact never did exist.

[Mr. Churchill.]

When the administrative organization serving the board was originally contemplated, it was expected that the provincial committees would handle funds and that their accounts would be audited on a local basis. That has not been followed and all auditing is done centrally in Ottawa.

This portion of the section is non-effective and the proposal is to drop it, following a suggestion made by the Auditor General.

Mr. Chairman, that constitutes a brief introduction to the bill. As with other bills which come under the veterans charter, it is the intention, if the house approves, to refer the measure to the standing committee on veterans affairs after second reading for further consideration. Consequently at this time perhaps this committee does not want to go into too great detail with regard to this particular fund. Following the resolution stage and first reading the bill will be distributed and it should be available for consideration on second reading tomorrow. If second reading is given, the matter will be referred to the committee on veterans affairs and in due course it will come back to the house.

I commend this measure to hon. members. It will give the fund more money for a very essential service which it has been performing for veterans who need special assistance.

Mr. Carter: I rise to indicate our support for this resolution and I should also like to take advantage of this opportunity to pay tribute to the army benevolent fund board and the work they have done and are doing. As the minister said, the board was established by an act of this parliament in 1947. Prior to that the fund had been administered by the regimental funds board who reported to parliament through the minister of defence. This change was brought about by a recommendation of a special parliamentary committee set up in February, 1947.

The bill establishing the army benevolent fund board was drafted by that special parliamentary committee and appended to its report to parliament—a very rare if not unique event. This bill provided that the fund should be administered by a board and it stipulated that at least one member of the board should be nominated by the royal Canadian legion and another by the national council of veterans' associations. No member of the board was to occupy any position in the public service of Canada. The bill also provided for a veterans welfare program and in 1953 the army benevolent fund board worked out a second program jointly with the board of directors of the Canadian army welfare fund. This program was approved by the cabinet in 1953 and became known as the Canadian army financial welfare program.

Under these two programs assistance has been given to veterans and their dependents, to the widows and orphans of deceased veterans and to second world war veterans who are still serving in the Canadian army. The type of assistance rendered is mainly of a kind intended to meet unexpected contingencies and to help veterans and their families out of various financial difficulties.

Included among these activities have been arrangements to have debts adjusted and orderly repayment made when the debts have been incurred for justifiable reasons. In addition the board has set up a counselling service which has assisted veterans' families in budgeting and money management.

Another service has been rendered to unemployed veterans. In these cases no direct relief can be given but the special employment program of the army benevolent fund board helps veterans in relocating to places where jobs are available and in retraining them and supplying them with tools of the trade. These activities have been co-ordinated with the work done by the Canadian naval service benevolent fund and the R.C.A.F. benevolent fund. Many worthy families have been saved from financial disaster and restored to a sound economic footing as a result of this work.

The funds which are being administered originated, as the minister has told us, mainly through canteen profits but they have also been augmented from other sources because many large camps had various enterprises attached to them such as theatres, curling rinks, bus services and so on all of which provided profits which would contribute to the general fund. As the minister has also told us, the original amount in 1947 was $8,134,934. It was expected that another million dollars would be added, making approximately $9 million.

On March 31 last the fund had declined to $6,863,020. The purpose of this bill, as the minister has just said, is two fold. In the first place it seeks to increase to 4 per cent the rate of interest being paid on the fund and it also seeks to make provision for certain changes in administration. We fully agree with the principle of both these changes and intend to support the resolution.

Mr. Herridge: I rise on behalf of this group to support the purpose of this resolution. I am not saying, however, that we shall be altogether satisfied with the bill when it is introduced.

It is interesting to look back to the year 1947. I was a member of the special committee on veterans affairs which dealt with this legislation, in particular, at that time, as mentioned by the previous speaker. Shortly after the act came into effect a total of something over $9 million was available to the fund. Last year, according to an excellent report submitted by Mr. Chatterton to the standing committee on veterans affairs, we were informed that the board had completed 12 years of operation of the veterans welfare program as provided for in the Army Benevolent Fund Act and seven years of operation of the Canadian army welfare program as provided for in the arrangements between the board of directors of the Canadian army welfare fund and the army benevolent fund as approved by the cabinet in 1953. As mentioned by the previous speaker, we were told that the fund had been reduced to something less than $7 million.

Throughout the years there have been certain suggestions made with respect to assistance in the administration and in recent years it has been the practice for the government to grant $18,000 a year toward the administrative costs of the army benevolent fund. We were told that the average amount of the grants was in the nature of half a million dollars a year and from personal experience I know of the excellent work which has been done by the board. This fund has served a very useful purpose indeed. In fact, on a number of occasions of which I am aware it has proved a virtual life saver to the veteran concerned.

I was very interested last year when it was brought to our attention that a veteran, who was in rather deep water, felt that if he could be granted sufficient money to purchase a horse he could skid logs and get out of debt. The board provided the money, he was able to skid the logs, and he finally got back on his feet. I would suggest this is an example of the purpose of the fund. I know of numerous cases where this fund has been of great advantage to veterans who found themselves in difficult circumstances. In view of the good work enabled by this fund, it is natural on our part to want to see that the fund is continued as long as possible, commensurate with meeting needs and circumstances of the day.

I must say that as a result of our experience after the first world war, in regard to other funds, this fund has been administered on a very sound, practical and humane basis. Originally, as I understood it, interest was set at 2½ per cent which, in the light of the circumstances at the time the fund was established, as the hon. member for Essex East would say, seemed very reasonable indeed. It was later found necessary to increase the interest, and I understand the interest is now 3½ per cent on the first $5 million and 3 per cent on the balance. This resolution, without doubt has been brought to

the attention of the committee by the minister as the result of certain prodding of the government by those individuals who felt that the fund should earn more interest in view of present circumstances. I know that officials of the royal Canadian legion and the national council of veterans have had this in mind. I am quite sure from reading the reports of the army benevolent fund over the years that in recent years the officials of that organization felt there was complete justification for increasing the interest rate at this time and thereby the earning power of the fund which would in turn extend its life.

There is no mention of a specific interest rate in this resolution. Governments have the habit of sort of pulling the rabbit out of the hat later on and we will look forward to seeing what is in the hat. However, I do suggest in view of present circumstances, and because of the fact that loans are being made at 5 per cent, we could very well establish an interest rate of 5 per cent in respect of the army benevolent fund to make certain that the fund is kept in existence as long as possible. We look forward to reading the bill when it is brought forward in the house.

One other amendment I suggest we could look for in this resolution would be an amendment granting the benefits of the army benevolent fund to Newfoundland veterans. This matter has been brought to the attention of the house by the immediately preceding speaker and has been mentioned on a number of other occasions. The reason given for excluding Newfoundland veterans from receiving the benefits of this fund is that they were not, at the time they served in the second world war, members of the Canadian armed forces. I think this is splitting hairs because Newfoundland is part of confederation now. I want to join my voice with the voice of the hon. member for—I can never pronounce the constituency—

Mr. Pickersgill: Burin-Burgeo.

Mr. Herridge: I refer to the voice of that member from that isolated part of Newfoundland. The veterans resident there are entitled to their rights the same as everyone else. I would join my voice with his in urging the government to give consideration to an amendment to the act which would extend to those veterans resident in Newfoundland the privileges enjoyed by those veterans who served in the Canadian armed forces prior to the entry of Newfoundland into confederation. Those individuals fought for the same cause, for the same purpose, and are now veterans and citizens of the same country.

Mr. McMillan: Mr. Chairman, in looking over the annual report to March 31, 1960 of the army benevolent fund I see the names of the chairman, the four members of the board, the members of the nine provincial special committees including all the provinces except Newfoundland, and one overseas committee, and I would like at this time to pay tribute to the chairman, the members of the board and the members of those special committees for the good work they have been doing. I have seen some evidence of this while practising medicine.

This fund was set up in 1954 to incorporate the management of the army canteen fund and other service funds. They were all brought under the one act. At that particular time the interest rate was 2½ per cent paid on the whole amount. In 1952 the act was amended in respect of interest only. According to that amendment the interest on the fund was set at 3½ per cent on the first $5 million and 2½ per cent on the balance. The minister has said today that the proposed interest rate would be up one half of one per cent in both cases. This will mean that the highest interest rate possible is 4 per cent. The government certainly cannot borrow money at an interest rate lower than 5 per cent today, which is 1 per cent higher than the highest proposed interest rate in respect of this fund. The previous government paid an interest rate very much closer to the interest rate on the market at that time.

Originally the board was guided by certain principles, one being that there would be prospective beneficiaries for 50 years. In 1958 and 1959 the fund was depleted by over $300,000 per year. Last year the fund was depleted, as at March 31, 1960, by $317,000. If the fund is depleted at this rate it will soon not exist at all. I am not criticizing the management of the fund but am calling this situation to the attention of this committee. Unless there is some extra money put into this fund, and if it is depleted at the rate of approximately $320,000 per year, it will soon be gone. It was suggested when the fund was set up that it would run for some 40 more years. I notice now that there is some $6 million with the government, and over $250,000 in conversion loans at 4½ per cent due in 1983, and the fund has already taken a loss of something over $30,000 in respect of these bonds at present market values.

I should like to ask the minister who controls these funds. Does the board have control or does he or does the Minister of Finance? I have often wondered about that. I know that there are several other funds in existence. Probably conversion loan bonds were also bought by those funds and I should like to know whether or not they also suffered losses. I do not suppose the minister can answer that question at this time.

I think the board is doing excellent work. As I said before, a number of very worthy cases have come to my notice. The fund is also in the lending field and I was surprised to learn the amount of money that has been lent to veterans and the small losses that have been sustained. After we see the bill we will be able to discuss the matter further.

Miss LaMarsh: Mr. Chairman, I have nothing particularly edifying to say today with respect to the resolution but I cannot let pass this opportunity to make a few comments about the fund. In the brief time I have been in the house only one matter has come before the fund in which I have been concerned. I have been asked to indicate not only the approval of the recipients with respect to the action of the fund but also of a great many veterans in the area and veterans organizations.

The army benevolent fund is perhaps not too well known to the general public and not as well known to veterans as it might be. The particular case which came to my attention concerned a veteran with an exceptionally fine war record who had suffered a very debilitating disease. He has a wife and small children of school age and these people were absolutely incapable of meeting even the hospital and medical accounts. This woman came to me in sheer desperation after she had been every place where she thought she might conceivably obtain assistance. The matter was referred to the directors of the army benevolent fund in Ontario who with a minimum of red tape, which I think is most unusual in matters that are the responsibility of the government, and great consideration for the feelings of the people involved and the record of the veteran, took over the payment of these accounts. This had a most beneficial effect with respect to the wife and the children because the children were able to remain at school and the wife was able to carry on with their support. However, perhaps even more important, so far as the veteran himself is concerned, the provision of assistance has enabled him to be freed of financial responsibility and of worry so far as his family and his own future are concerned.

This is just one example of the feeling of Canadians with respect to the importance of the contribution made in the past by our veterans and indicates that Canada has not forgotten and, I hope, will never forget the contribution they made and also indicates our desire to continue to assist deserving cases.

As a former member of an army mess, I think the fund could not be put to better use. Those of us who served in second war as well as those who served in the first war are happy to know that the funds that were turned over at the completion of service are being used for the assistance of our fellows who, when they left the service or in the years since, have not been too well treated by the fates. While this is only a small thing, I cannot let the opportunity pass without extending a pat on the back to those who administer the army benevolent fund for this example at least of their generosity and their attention to detail.

Mr. Carter: Mr. Chairman, I just want to express my support for the plea put forward by the hon. member for Kootenay West on behalf of Newfoundland veterans and also to express to him my personal thanks for his assistance in this regard. I hope the minister will find it possible to give favourable consideration to this matter.

Mr. Jones: Mr. Chairman, I do not intend to make more than a few very brief remarks at this time, but in view of some of the comments that have been made I thought it might be useful to put on the record the actual sources of these funds. These funds are available for the benefit of world war II veterans. Members who are veterans of the first world war will probably recall canteen funds from that war being put to similar use. I understand there are world war I canteen funds still in existence in Ontario, Manitoba and New Brunswick but in the other provinces they have since been exhausted.

The funds in question today arose from the second world war and were derived from these sources as a result of the army's activities: Regimental funds of army units, $3,047,000; auxiliary services such as the Y.M.C.A., Canadian Legion, Knights of Columbus and Salvation Army, $2,739,000; an organization known as Bronco, a purchasing agency for the auxiliary services, $1,264,000. The navy, army and air force institutes, which are, of course, British organizations, made a contribution on the basis of what they considered would reflect the profit they had made on sales to Canadians in the second world war, and the amount was $1,368,000. Then there is a miscellaneous amount derived from army benefit shows, sales on troop ships, kitchen by-product sales and so on totalling $875,000, and the over-all total is $9,293,000.

These are the sources of the funds about which we are talking and, as I mentioned at the start, they were derived as a result of the activities of our second world war army veterans.

As has been pointed out by other speakers in the debate, the other Canadian services in the second world war have their own funds and, as I mentioned earlier, there are

some funds left from the first world war which are administered provincially and are not involved in the matter now before us. In dealing with this matter we have to consider the sources from which these funds came.

I think it might be of interest to know something of the record of assistance under this fund. It is familiar to many members. They know at first hand, as we all do, of cases of valuable assistance which has been rendered by the fund. However, as far as the statistical record is concerned, I should like to point out that from September, 1957, to March, 1960, the fund made financial grants amounting to $4,691,131. Assistance obtained from welfare and medical agencies in respect of army benevolent fund cases amounted to $345,339 and the fund obtained reductions for veterans in settlements with creditors to a value of $919,605.

In other words, the fund in a direct monetary way, through its own grants, through being able to effect assistance in the settlement of debts and in respect of assistance obtained from welfare and medical agencies, rendered assistance to a total value of $5,956,075, almost $6 million. This is a very considerable amount of assistance and, coupled with the wise counsel that the fund gives through its officers in the various provinces who give their time voluntarily in order to serve their fellow veterans in this way, is of inestimable value.

Resolution reported and concurred in.

Mr. Churchill thereupon moved for leave to introduce Bill No. C-88 to amend the Army Benevolent Fund Act.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the bill be read a second time, next sitting?

Mr. Pickersgill: Perhaps the minister would like to have second reading now?

Mr. Churchill: I am not certain that the bill is ready for distribution. Second reading tomorrow would be quite satisfactory.

VOCATIONAL REHABILITATION

PROVISION FOR AGREEMENTS WITH PROVINCES, ETC.

Hon. Michael Starr (Minister of Labour) moved the second reading of Bill No. C-84, respecting the vocational rehabilitation of disabled persons and the co-ordination of rehabilitation services.

He said: Mr. Speaker, the main purpose of this legislation is to authorize the government of Canada to enter into agreements with the provinces respecting support for their efforts to develop a comprehensive and co-ordinated program of vocational rehabilitation for disabled persons. It is an honour for me to be associated with legislation, the high purpose of which is to help ensure that thousands of our disabled citizens will have more useful lives.

As was expected, hon. members from all parties endorsed the purpose of this bill when they spoke at the resolution stage. Wherever possible it is more desirable, more beneficial and more humane to restore the disabled to vocational usefulness than to support them in demoralizing dependency. I want to thank hon. members who have spoken on this subject. They have obviously studied the present situation, and in doing this they must have realized that under present provisions, securing the various services necessary to the vocational rehabilitation of the disabled can be a baffling and time consuming process. I feel, and I am sure we all feel, it is time to remove much of the confusion surrounding this field.

I feel we must pave the way for the development of an orderly, co-operative and co-ordinated pattern of vocational rehabilitation. With such a pattern, and assured of federal support, the provinces will be able to plan expansion of their programs with vigour and imagination, resulting in greatly increased federal financial participation.

In presenting the resolution to the house a few days ago, Mr. Speaker, I did not claim—I should like to make this perfectly clear—that this government had invented vocational rehabilitation nor, of course, do I lay any claim that it was invented by the previous administration. The whole concept and philosophy have developed gradually over a great many years. The principles were first practised in Canada on a large scale after the first world war. Some of our provincial workmens' compensation boards were quick to grasp the value and the common sense of this approach to the problem of the severely disabled. Our voluntary agencies were similarly inspired. Other progressive nations introduced constructive measures to develop comprehensive programs of vocational rehabilitation.

In spite of this, it was not until 1951 that a national conference was called on the subject here in Canada. It was not until 1953 that a limited degree of financial support was made available to the provinces to encourage the development of rehabilitation as a co-ordinated and co-operative effort. The steps taken at that time, I feel and I am sure everyone will agree, have been useful. They provided a basis for experiment. The experiment has resulted in a degree of success which has

confirmed our belief in the basic principles of vocational rehabilitation. However, in operation, weaknesses that required correction have been revealed.

At the eighth world congress on rehabilitation held last year in New York, a prominent Canadian made this statement to the representatives of 60 nations. I should like to quote his words:

> I know of few fields in which the problems of organization and administration of a program are so complex and as baffling as they are in the field of rehabilitation.

In a program in which so many divisions and levels of government, so many professional disciplines, and so many voluntary groups are involved, the authority for the program must be clear as to its intent. The administrative framework must be as simple as is possible in a complicated situation. When we are dealing with the provinces in a proram designed to bring services to individuals, it is much easier for them to develop these programs against the background of a statute that is clear in its purpose.

At present, in recovering the federal share of the costs of supplying vocational rehabilitation services, the governments of the provinces must do so through two separate federal departments. Administration will obviously be simplified and made possible by this bill, that is Bill No. C-84. It will only be necessary for the provincial rehabilitation authority to make recovery through one federal department. The national advisory committee on the rehabilitation of disabled persons has repeatedly asked the government to consider the possibility of legislation in this field. I now have every reason to believe that this bill will be met with a great deal of satisfaction by all the provinces across Canada. It is for these reasons, Mr. Speaker, that in close cooperation with my colleague the Minister of National Health and Welfare (Mr. Monteith), this measure has been drawn up.

The basic purpose of this bill is to authorize the making of agreements with the provinces to provide for the sharing of costs incurred by the provinces in carrying out programs of vocational rehabilitation for disabled persons. The title of the bill is "The Vocational Rehabilitation of Disabled Persons Act". The definitions indicate the segment of the population that we seek to benefit and the types of services that may be necessary in a program of vacational rehabilitation.

To implement the provisions of the bill the minister will be authorized, with the approval of the governor in council, to enter into an agreement with any province for a period not exceeding six years. These federal-provincial agreements will provide for financial assistance for costs incurred by the province in implementing a comprehensive program for the rehabilitation of disabled persons. The agreement will set out how, and in what manner, various provisions of restoration, training and employment placement may be made available to the disabled. The principal services for which costs may be shared are outlined.

The vocational rehabilitation of the individual must be based upon adequate counselling and a proper assessment of his potentialities. Where full employment is not possible, economic gain can be sought by assisting the seriously disabled to dispense with institutional care or the services of an attendant. The desirability of training staff as counsellors or administrators is quite obvious. Such staff is essential to the proper co-ordination of services and bringing them to the disabled individual as required in an orderly, organized manner. Additional services that may be necessary may be included as required in individual cases. As an example, we could share the cost of tools without which employment could not be accepted.

The responsibility of co-ordinating federal services that relate to vocational rehabilitation is placed with the Minister of Labour in co-operation with the Minister of National Health and Welfare. The Department of National Health and Welfare, working with provincial health departments, is responsible for the development of all those services and facilities required to meet the health needs of our people. This responsibility includes the encouragement of the maximum use of all treatment measures conducive to complete cure or maximum recovery.

The health grants, and particularly the medical rehabilitation and crippled children grant, have stimulated the expansion of physical medicine and medical rehabilitation facilities in hospitals and rehabilitation centres. Equipment has been supplied, staff has been trained. These services speed up recovery and reduce the eventual degree of permanent disability. The creation of facilities and services, and the setting of standards in this area are, and must always be, the responsibility of our medical people.

Authority is given to the Minister of Labour to carry out research as it relates to vocational rehabilitation, where appropriate, in co-operation with any province.

The duties of the national advisory council on the rehabilitation of disabled persons are clearly set out. Its purpose basically is to give consideration to and advise the minister on all questions relating to the operation of the act. In addition to the federal and provincial representatives, the council will draw its ten

remaining members from labour, management, the medical profession, the universities and the national voluntary agencies that work with the disabled.

To ensure that when purchasing medical services for individuals this is done in harmony with the developing pattern of health services, all regulations for this area will be recommended jointly by the Minister of Labour and the Minister of National Health and Welfare.

It can be seen, therefore, that the measure sets out specifically the responsibilities of the federal government in this important field. The resulting agreements will enable the provinces to indicate the services that they are willing to provide. This in turn should enable the provinces and the voluntary agencies to work out a co-ordinated approach in which the role of each in a total rehabilitation program is understood and defined.

This is not primarily a training program. Vocational training is an important part, but only one part, of vocational rehabilitation. Where training is given, it is based upon the abilities and desires of the individual and the opinion of the national employment service as to whether or not such training should lead to placement. The national employment service works closely with provincial rehabilitation offices, and I am proud of the fact that they have, in the past years, placed thousands of disabled persons in jobs that they are well able to perform.

It should be noted that under this vocational rehabilitation program, costs are not assumed for services that are generally available to all citizens under other programs. This is necessary to avoid overlapping. Where a voluntary agency can provide one of the necessary services, they assume this responsibility. The whole success, however, depends upon a well organized process through which the disabled can be guided to assume their rightful place in our economy.

Money is not actually spent on rehabilitation. It is invested, I submit, in order to provide a better future for our disabled citizens and the dividends that are returned in their greater happiness and their increased contribution to the economy more than offset the initial cost.

I am sure that all members of this house and of the entire nation will welcome this expression of our basic belief in the true principles of democracy and the provision, as far as possible, of equal opportunity for all.

Mr. W. H. McMillan (Welland): Mr. Speaker, this bill will put into statute form authorization for the government to enter into agreements with the provinces on a cost sharing basis to co-ordinate all federal activities in the field of vocational rehabilitation. It will also provide for all co-operative work with the provinces in that field, including medical, surgical and remedial treatment as well as research in these fields. It will also provide for the setting up of an advisory council and authorize the payment of a chairman and other expenses.

As was said in the house the other day, there is nothing actually new in this bill except that henceforth payments in respect of helping the handicapped will be classed as statutory expenditures instead of a vote in the estimates. Every year when this vote in the estimates has come up for consideration in the committee, the minds of hon. members have been focused on the handicapped and they have had the opportunity to discuss the matter in debate and to bring their opinions to the attention of the government. I know that the minister said—and he repeated it today—that this is not something new; but when he brought this measure into the house at the resolution stage I think he left the impression that there was something in it when he used these words:

> —it will bring new hope and encouragement to many of our less fortunate citizens.

I think we can see that those words are not, in fact, true for the fact is that our handicapped people will have available to them now nothing that they did not have available previously under the votes in the estimates.

I recall that back in 1954 when this measure was first introduced in the house, it and similar measures had no greater sponsor and advocate in the house than the hon. member for Essex East (Mr. Martin). At that time the hon. member was minister of national health and welfare. I have heard him sponsor this and similar measures in the house on various occasions. I say that no one in this house has been more active than he in sponsoring social security measures.

As the minister said, helping the handicapped started by a vote in this house in 1954. On the resolution stage of this bill the other day the minister gave some statistics. I think he said 5,266 seriously disabled people had been helped. They had over 3,000 dependents, and 80 per cent of them were without earnings.

Instead of being a charge to the taxpayers of Canada to the amount of $3.9 million a year, these people have been able to earn up to $9.6 million a year after rehabilitation. They have earned a total of $29 million since rehabilitation. I think this is evidence enough that this program was started at an earlier time under the former government.

Many people who are physically handicapped will receive the benefit of advances in medical science. Much has been done in the field of orthopaedic surgery. Much can be done to help those with defects in vision. Also, with the new braces and new artificial limbs I think these people can be helped a great deal more. Many of them have been helped a great deal so far.

The minister said this bill was being introduced in order to give assurance to the provinces that this program will be carried on. I did not think it was necessary for us to give any further assurance to the provinces than we have in the past. However, if anybody in the provinces needs any assurance, this is it.

Many advances are being made in medical science and we want to continue to help the physically handicapped. Therefore I think everybody in this house should vote for this bill.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, at the resolution stage the representative of this group expressed support for the principle of the bill it was proposed to introduce. We are naturally very pleased to now see the actual bill and therefore obtain a greater understanding of its purport, how far it will go and just what it is that the government has in mind. Undoubtedly the principle of the bill is good and its effects will be far-reaching.

As has been pointed out by the minister, in these days it is possible, with modern science and teaching, to recognize the great possibilities that exist for the rehabilitation of those persons who have become disabled.

Through the past operations of workmen's compensation boards in this country and the activities of the Canadian National Institute for the Blind, we have seen just what can be done in the rehabilitation of those who have become physically disabled. Because of that experience we very much welcome the introduction of this bill which will make statutory a policy of assisting the provinces to help the disabled throughout this country.

We fully understand that the particulars of the bill make it necessary for the initiative to be taken by the provinces and for agreements to be reached between the provinces and the federal government as to the scope of the rehabilitation measures.

We in this group sincerely hope that all provinces will take the fullest possible advantage of this legislation and that the federal council which is to be established, and the minister who has the responsibility, will have a broad vision as to the potentialities of the principle of rehabilitation.

I hope that during the course of the discussion on this bill the minister will outline, in perhaps more detail as we discuss the various clauses of the bill, what he considers to be some of the problems which have to be met and what he considers to be the breadth and scope of the bill.

The reason I mention this is because in days not so long past a person who had lost an arm, both arms, or a leg might not—and most certainly could not, I would say—be able to adapt himself for other occupations through vocational training because of the type of orthopaedic equipment which was available in those days.

However, in the past two or three years in particular very great advances have been made in the realm of artificial limbs. If one is injured, under the workmen's compensation provisions there is in most provinces not only the opportunity for vocational training in new occupations, but there is also the opportunity of acquiring the most modern and up to date artificial aids.

If a person is not covered by workmen's compensation and has been disabled in a non-industrial accident, I should like to be assured that if he is able to assimilate vocational training he will receive assistance under this bill. Is there provision in this bill for artificial limbs to be supplied which would enable such a person to take up a new occupation? The minister nods his head, and I gather that this assistance will be forthcoming. I am certainly glad this is so, because I think it is an important part of rehabilitation.

There is also this point, Mr. Speaker. A person who has undertaken vocational training is, under the workmen's compensation provisions, in receipt of assistance which will enable him to carry on vocational training and meet his costs of living.

I presume that those who will be covered by this bill will, to perhaps a considerable extent, be drawing welfare assistance. Welfare is basically just sufficient for a bare existence, to the shame of this country. But if one is to undertake vocational training, I think I can say from past experience that a little more than straight social welfare is required.

There, also, I should like to know whether there is provision in this bill to not only take care of the actual vocational training, but also the living expenses of a disabled person while undertaking that training.

After the training is completed there arises the question of placement. The minister has made it clear that he recognizes the importance of placement and that one of the purposes of the council will be to do everything possible to see that after vocational training these disabled citizens are placed in employment. That is as it should be. Perhaps we could hear at a later stage from the minister

just what emphasis will be placed on this matter and whether or not consideration will be given to some of the problems which have to be met and to the policies by which they might be overcome.

A number of industries have been doing an excellent job in the placement of disabled persons but I think it is unfortunate that to a considerable extent industry has not shown evidence of a concrete interest in this matter. I believe a major educational campaign must be waged in order to get a sympathetic acceptance by employers in this country of the value not only to themselves but to the Canadian economy and to the individuals concerned of employing a percentage of disabled persons who have received a good training. I know that in some countries in the world employment of disabled persons is governed by law. Employers who have a certain number of employees are bound to engage a percentage of disabled persons. However, I hope it will not be necessary to go to that point in Canada and that we can persuade industry to take in disabled persons from a spirit of citizenship and responsibility.

I should also like to throw out a suggestion which came to my attention recently. It is this. In some of the countries of Europe the placement of disabled persons who have been trained in certain occupations has not been left solely dependent upon possibilities of employment already in existence. The government itself takes a primary interest in the question and has established either government-owned or government-assisted concerns or small industries where only the disabled are employed. Thus there is not only a continual educational program going on to encourage private industry to take a percentage of trained disabled persons but the government itself has a direct concern in industries whose primary purpose is the employment of disabled persons. I have only been aware of this situation in recent times but I am given to understand that it has been a most successful policy and it is one which I commend for the consideration and, I hope, the approval of the minister or of those who will have the responsibility of the administration of this measure.

As I said at the beginning of my remarks, this is in our opinion a most important bill. It represents a step forward. It represents a recognition of the responsibility of government and of all those who are not physically disabled to take an interest in the rehabilitation of those who are less fortunate. We commend the government on the introduction of this bill. We shall most certainly support it and perhaps when we are engaged in the committee stage we shall have other words to say on the details of the measure as it proceeds.

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

Mr. H. W. Herridge (Kootenay West): I thought a member of the official opposition was about to rise. If that is the case I will resume my seat. I spoke on the resolution stage and I am going to be very brief now. When I rose I thought the hon. member for Niagara Falls (Miss LaMarsh) was going to rise, I noticed that when the hon. lady spoke about an hour ago she said that what she had to say was not very edifying. I am sure all hon. members will agree with me when I say that what the hon. lady has to say is always edifying, and sometimes, indeed, electrifying. That was why I was happy to see her, as I thought, about to rise, and perhaps she will do so before the conclusion of this debate.

I have a particular hobby as far as the rehabilitation of both human beings and nature is concerned. Conservation has been a hobby of mine during most of my life in these two aspects. On that account I am very pleased to see the introduction of this bill and glad to note that the expenditure for this very worth while purpose is to be on a statutory basis. Without doubt many persons who will receive training under the terms of this bill can be placed in employment as a result of that training but I am going to make reference to that smaller percentage who will find it very difficult to find employment because of certain unfortunate circumstances or the unfortunate nature of their disabilities. In some cases it is not possible to employ such people in the usual places of business or occupation. My experience in this respect and my knowledge of a number of cases throughout the years leads me to suggest we shall have to do more. Federal and provincial governments and other agencies will have to do more than simply provide for training according to the terms of this legislation. It is going to require the co-operation of all levels of government, private agencies and individuals to promote and finance, shall I say, what I consider specially organized activities in the light industrial field and in certain phases, shall I say, of light agricultural production.

As far as industry is concerned—and I have felt this for some time—we should have some method of getting together representatives of the federal government, the provincial governments, the agencies and the individuals interested to provide, say, in each constituency or suitable area some particular light industry where these unfortunate people

can be employed so as to earn their own living and have a sense of purpose in so doing. I suggest there are certain opportunities in light woodworking, the making of toys and in the making of special products from wood from waste from saw mills and other forest industries. At the present time certain industries require stocks of a certain size—small blocks of wood of a certain size; certain types of material for packaging and so on production of which could be undertaken in a light woodworking industry in which many of these unfortunate persons could be employed.

Then, as far as agriculture is concerned, I have felt there should be an opportunity for some form of state operated or co-operatively owned farm under, shall I say, state sponsorship providing opportunities for persons to engage in poultry farming and the production of vegetables and small fruits. I am speaking particularly of those persons who have to have guidance, persons who can perform simple operations and who find satisfaction in doing certain light work in association with people who care for them. In this connection I wish to bring the attention of the house to the tremendous opportunity there is in this country for the growing of black currants. That does not sound very important, but I remind hon. members that we import into Canada a very large amount of black currant jam and preserves in other forms. The demand for black currants is growing, particularly since people are becoming aware of the medicinal properties and value of black currants.

I see some hon. members smile, but there is an opportunity in this respect. We are now importing from European countries and the United States a great many of these products. I mention this as one feature of the fruit-growing industry that could be developed under perhaps co-operative farms of the nature I indicated.

There are other opportunities which exist in this field. In the district which I represent there are thousands of acres of blueberries which go to waste every year. They are beautiful blueberries. Possibly this situation exists in other members' constituencies. There are acres of huckleberries going to waste as well. Years ago these blueberries and huckleberries were picked and shipped in carloads. Families were able to make on the average $10 a day—father, mother and child. It is almost impossible today to get people to do this sort of thing. They will pick only their own requirement and will not undertake this work in a commercial way.

Several small communities in my constituency used to ship an average of seven carloads of these blueberries to the Calgary market each year. On the present market they are worth 30 cents a pound in Calgary and other prairie points. At 16 cents per pound a person can earn a fair wage. They cost 5 cents per pound to package and transport to Calgary.

One can see the opportunity that exists here which could be developed by individuals who are interested in doing something to assist these unfortunate people. I am not suggesting this could be done overnight. It would require improved and extended legislation as well as co-operation among federal and provincial governments, private agencies and individuals. However, I do rise to make the suggestion that this is one approach to the problem faced by the more unfortunate with whom we are concerned at the present time. It is a suggestion that should be given further study in an effort to see what can be done on a co-operative basis to assist that percentage of unemployed individuals today who will never be placed in normal or usual employment.

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, I wish to thank the hon. member for Kootenay West (Mr. Herridge) for his remarks. He is one of those hon. members who has made me welcome in this house. I am very grateful to him in this regard.

There are certain items in the bill which the minister has proposed with which I do not agree. One of these is that the definition indicates that this legislation is to be available only to those persons who are incapable of pursuing regularly any substantially gainful occupation. The employment placement which is referred to again is such only the objective of which is to enable those persons of becoming capable of pursuing regularly any substantially gainful occupation. It is a fact that there are many individuals in this country who are disabled from disease. They may not have lost a limb, their sight or hearing but they are disabled to the extent that they are, while capable of taking training, many at their own expense, through the ordinary system of schooling in the various provinces, because of their disability—I am thinking particularly of the local individuals in my riding—unacceptable to industry. Many of these individuals have acquired clerical training and therefore do not fall within the definition of this measure because they are capable of pursuing regularly any substantially gainful employment, but nevertheless are unable to find jobs.

This is a situation which has not arisen as a result of economic conditions of the last one or two years but has existed for many

years. These individuals are incapable of obtaining employment largely because of the reaction of employers and employees who are uncomfortable in the presence of these people notwithstanding the fact that they are capable of doing a job. Too many employers, and this group unhappily includes the Ontario hydro and arms of the provincial and federal governments, will not employ an individual who is disabled, although capable of doing a job and having a livelihood, because of the fact that they are in a position where they will be seen by the public, and the companies feel this is not good for public relations.

It is a most unhappy situation for those who have used their own resources to acquire training when they find they are not only unable to secure a job with private employers but on many occasions because of pension and insurance provisions—they are incapable of being insured—they are unable to find employment even with arms of the governments. I would ask the minister to consider this definition carefully, before he brings the bill before the house, as to whether it would be of benefit to widen the definition to include those individuals who are trained and capable of holding jobs but because of their appearance, resulting from an impairment, are unacceptable in employment. This problem does not involve training or re-training but is a matter of placing the individuals.

I have reference to a particular individual who has been unemployed for upwards of ten years. I employed him myself so long as I had a position open for him but before and since that time he has been to every arm of government in and out of Ontario in an effort to secure employment but has been unsuccessful because employers are afraid that his would-be fellow employees would object to his appearance.

The individuals to whom I refer should not be thrown on a garbage heap. These individuals are capable of making a contribution to our society and require the assistance of employers in placing them in positions which they are capable of handling. I would therefore ask the minister not to disregard the problems of those individuals who are trained and capable of doing jobs by excluding them under the plan of Bill No. C-84.

Mr. Deputy Speaker: I must inform the house that if the minister speaks now he will close the debate.

Mr. Starr: Mr. Speaker, may I call it six o'clock.

At six o'clock the house took recess.

[Miss LaMarsh.]

AFTER RECESS

The house resumed at 7.30 p.m.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I was very pleased indeed to hear the remarks of hon. members who took part in the debate on second reading of the bill in that they showed so much interest in this matter and, if I may say so, sincere interest. I feel that I have covered the scope of the bill at the resolution stage and also in moving the motion for second reading. However, a number of questions have been posed by various members who have participated in the debate.

The hon. member for Vancouver East (Mr. Winch) brought up the problem of the provision of artificial limbs and so on for disabled persons. There is provision for prosthetic appliances as part of the restoration process and it includes limbs and all such things that are necessary. With respect to the matter of living allowance during the period of training, living allowances, proposed by the provinces and approved by the federal government are payable to these people during the period of training.

I wish to say to the hon. member for Kootenay West (Mr. Herridge) that I appreciate his keen interest in this matter. He is a man of kindly heart and amiable disposition and I know that the human aspect of this matter is very close to him. The collaboration of all agencies and people is essential, of course, in this matter, including the voluntary agencies, the provinces, the federal government, the national employment service and individuals. I might say to him that the question of sheltered employment to aid in the rehabilitation of workers is receiving close study. We are always on the lookout for opportunities for the disabled in a rural setting and we have in mind such means as he mentioned. However, this is an area where more research is probably needed and we are going to do everything we can in this respect.

The hon. member for Niagara Falls (Miss LaMarsh) referred to a particular case that had come to her attention and in which she was interested. I might say that we feel that the combination of training and counselling has a great deal to do in the placement of this type of person. In the approximately 200 national employment service offices across the country we now have some 230 special placement officers who do nothing else. They are properly trained for this work and they are engaged in counselling and endeavouring to place such people in suitable employment. They are in constant touch with possible employers and with those who are seeking employment. They are available to

these people and are more than happy to be of service to them. They too are interested in the problems of the disabled in the same way that we are, and it gives one a great glow of satisfaction to know that they have been able to help so many people who are disabled.

I have nothing further to add except to say that we hope that by having the bill passed we will be able to assure the continuation of this type of work and federal financial participation will thus be assured in the minds of the provinces.

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

Clauses 1 and 2 agreed to.

On clause 3—*Agreement authorized.*

Mr. McMillan: Mr. Chairman, subclause 3 of clause 3 reads as follows:

In this section, "costs" incurred by a province means the costs incurred by the province determined as prescribed in the agreement—

I was wondering, since in a number of these cases rehabilitation might require long hospitalization, whether or not the agreement here would apply to the costs assumed by the provinces in this connection or whether the federal government assumed that they would be paying their half under the hospital insurance scheme?

Mr. Starr: Yes, we pay our half under the hospital insurance.

Mr. McMillan: You would not be paying any more under this act?

Mr. Starr: Not for straight hospitalization.

Mr. McMillan: In a number of these cases there is no hospital insurance. I know that happens in Ontario and the municipalities have to put up a considerable amount of money to cover the hospitalization of these people. Would the federal government be assuming any portion of that cost?

Mr. Starr: No, Mr. Chairman.

Mr. McMillan: In other words, the federal government is not assuming 50 per cent of the cost of the scheme?

Mr. Starr: Yes, we are, but the hon. member is talking about something else altogether.

Mr. McMillan: People who are handicapped sometimes have to be hospitalized to receive orthopaedic surgery.

Mr. Starr: This bill, Mr. Chairman, is primarily designed to take care of rehabilitation of the disabled. It is not for hospitalization. If in the particular instance the hon. member mentions, the surgery were part of the rehabilitation of the person, then we would assume 50 per cent of the cost. However, if the disabled person entered a hospital because of illness and not as part of a program for rehabilitation, then that does not come within the scope of our arrangements with the provinces.

Mr. Herridge: Clause 3, paragraph (1), Mr. Chairman, reads:

The minister may, with the approval of the governor in council, enter into an agreement with any province, for a period not exceeding six years, to provide for the payment by Canada to the provinces—

Are these agreements with the provinces for varying periods of years as between one province and another?

Mr. Starr: Up until now the agreements have run for a period of five years. It is proposed under this bill to authorize the federal government to enter into agreements with the provinces for a period of six years.

Mr. Winch: I should like to ask the minister if he knows of any of the provinces which have compensation acts under which the provinces do not supply vocational training? Are there any such provinces? I believe there are.

Mr. Starr: I am told that the provinces do not supply it, but they do have the power to pay for it.

Mr. Winch: That is the reason I was asking. I could not say with certainty, but I thought there were some provinces that did not supply vocational training to those who were entitled to benefits of workmen's compensation.

The reason this fact came to my mind was that this clause says the provisions of the bill do not apply to any disabled person whose disability is the result of any injury in respect of which benefits are payable to him under any workman's compensation law. There may be benefits which are payable because of a permanent or partial disability but there are not disability benefits. If there are compensation laws in which there are not disability benefits so far as vocational training is concerned, then this means that the people of that province, because of the dereliction of the government of that province, cannot come under this act.

Mr. Starr: Yes, the hon. member is correct, Mr. Chairman, in that respect. However, I feel it is the responsibility of the province to undertake such a program under their workmen's compensation measure. Even though the province may not have such a program we, as a federal government, would be prepared to counsel individuals in respect of this

matter. I think the provinces should undertake such training of disabled persons, particularly under workmen's compensation acts, under which they are being trained and rehabilitated in most provinces.

Mr. McMillan: Is the government assuming one half of the cost of rehabilitating persons handicapped by mental illness? The definition clause says that a disabled person means a person who, because of physical or mental impairment, is incapable of pursuing regularly any substantially gainful occupation.

I have referred before to the fact that people might be confined to hospital for prolonged periods as a result of a disability which could be corrected by orthopaedic surgery. According to clause 2 of this bill, mental impairment should apply also. I should like to know the differentiation the minister is trying to make.

Mr. Starr: Here again, Mr. Chairman, mental illness comes under provincial jurisdiction. However, if a person who has undergone treatment for mental illness is restored, then we will participate in his rehabilitation.

Mr. McFarlane: I should like to ask the minister if the construction of buildings and the supplying of equipment will be the subject of a 50 per cent donation from the federal government?

Mr. Starr: This bill does not take care of that. That is handled through the health grants and other means available.

Mr. McFarlane: As I understand it, then, the maintenance of buildings would be handled through the same branch?

Mr. Starr: Under this measure we would not participate in those costs. We are only concerned with the actual training and rehabilitation process.

Mr. McFarlane: The way I see the picture at the moment, then, if I may just ask another question, is that the province makes a decision as to where this work is to be performed and we accept it, in principle?

Mr. Starr: Yes.

Mr. Herridge: I should like to ask the minister this rather intricate question. Here is a case of a veteran who suffers a war disability as a result of overseas service. He has a stiff leg. He is in a car accident and the rest of the passengers are able to jump out and save themselves, but because of his stiff leg this man is not able to jump out and, as a civilian, suffers a disability. Who would be responsible for retraining?

Mr. Starr: We could accept that case under this program under those circumstances.

[Mr. Starr.]

(Translation):

Mr. Deschatelets: Mr. Chairman, I only want to say a few words about clause 3. I note that under this clause:

> —the minister may enter into an agreement with any province, for a period not exceeding six years, to provide for the payment by Canada to the province of contributions in respect of the costs incurred by the province in undertaking in the province a comprehensive program for the vocational rehabilitation of disabled persons.

This is a joint federal-provincial program. May I point out at this stage that I would have liked very much to hear what our Conservative friends of the province of Quebec had to say about this, because opinions are divided in the province of Quebec regarding those joint programs. There is already—

The Chairman: Order. I am sorry to interrupt the hon. member. We are now on a clause of the bill, and the hon. member is discussing the principle of the bill despite the fact that we have had second reading.

Mr. Deschatelets: Mr. Chairman, clause 3 refers to a joint plan, obviously because it empowers the minister to enter into an agreement with a province. I say that this joint plan we are now considering is not viewed favourably by all political groups in the province of Quebec, because there are those who consider such joint plans as encroachments on the autonomy of the province of Quebec. As a matter of fact, here is what Mr. Talbot had to say in this connection as reported in *Le Soleil* for April 20, 1961:

> We cannot at the same time live on the central power and recover our heritage. We have to make a choice—

The Chairman: Order, order. I have indicated to the hon. member that his remarks concern the principle of the bill whereas we are now considering the bill clause by clause. Those comments cannot be related to the phraseology of clause 3, so I think they are out of order in view of the rule governing consideration of the various clauses of a bill.

Mr. Deschatelets: Mr. Chairman, I shall abide by your decision. However, in view of the fact that we are now considering clause 3 which, I think, is the key provision in this bill, I wanted to give my hon. friends from the province of Quebec an opportunity to vote either for or against the bill. I would therefore ask you, Mr. Chairman, to call for the yeas and the nays, in order to find out where our hon. friends stand on a joint federal-provincial scheme.

(Text):

The Chairman: Shall clause 3 carry?

Clause agreed to: Yeas, 53; nays, nil.

Clauses 4 and 5 agreed to.

On clause 6—*Research program.*

Mr. McMillan: How are these research programs to be carried on? Are grants to be made to universities for certain aspects of this program?

Mr. Starr: Through the provinces. We will approve any projects submitted by the provinces.

Clause agreed to.

Clauses 7 to 13 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

AGRICULTURE

PROVISION FOR AGREEMENTS RESPECTING MARGINAL LANDS, RURAL EMPLOYMENT OPPORTUNITIES, ETC.

Hon. Gordon Churchill (for the Minister of Agriculture) moved the second reading of Bill No. C-77, to provide for the rehabilitation of agricultural lands and the development of rural areas in Canada.

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, in the absence of the minister this evening who, as I am sure the house knows, is away on a mission that is of importance to everyone in Canada, I take pleasure in making a few remarks on the motion for second reading of this bill to provide for the rehabilitation of agricultural lands and the development of rural areas in Canada.

At the resolution stage the minister outlined the broad philosophy which this bill is intended to convey. He stated that the main purpose is the improvement of the economic position of those farmers whose lands are at present classified as marginal or submarginal. However, it has not only the intention of improving the economic status of a great number of farmers who live in these economic units; it will also have the effect of simultaneously improving the position of farmers possessing more economic units. The bill itself fits into the broad philosophy of this government in respect of agricultural policy.

The subjects of bills that have been introduced into this House of Commons and have been passed as legislation include the following: a program of price stabilization to alleviate the effects of the fluctuation of prices owing to economic conditions beyond the farmers' control; the introduction of a crop insurance program designed to minimize the effect of fluctuation in yields caused by weather conditions beyond the farmers' control; the implementation of a comprehensive farm credit program to assist farmers in developing more economic units and to provide farmers with the opportunity of developing their operations to the point where they can effectively carry on in the face of changing economic conditions in the world today. This program fits into that broad general picture.

There are three attitudes that a government can take towards agriculture in the country as a whole. It could do nothing and could allow the agricultural economy to develop of its own accord. As I think most hon. members would agree, you would get the results that you should expect from that type of policy.

The second attitude is that you could leave nothing to the farmer; you could direct him completely in the production, marketing and selling of his products. We prefer not to take this attitude because we firmly believe that farmers in this country are not only capable but desirous of carrying on their own farming operations and making their own decisions on the farm.

We prefer to adopt the attitude that governments can provide an environment whereby people can take advantage of their own native abilities, initiatives and desires, and by providing that environment they can achieve for themselves that position which it is necessary for them to maintain if they are to keep pace with the other forces in our economy.

There are several approaches to this problem. The bill outlines in three separate phases the intention of the government. First of all there are the projects for the alternative uses of land.

The minister has on several occasions indicated what he has in mind in this respect. He has outlined that many areas of Canada which are presently being used for agricultural purposes could be put to better use for the production of trees or as reforestation projects.

A number of these projects have already been put into effect under the Prairie Farm Rehabilitation Act and the Maritime Marshland Rehabilitation Act. These are designed to bring into effect the proper utilization of our land resources.

There are several other aspects of land utilization programs that I could cite. One in particular that comes to my mind at this time is the program dealing with wildlife conservation. This is a program that has often been discussed but in respect of which very little action has been taken.

It is perhaps a sad commentary on our system that in the past we have found that too often municipal programs, provincial programs and even individual programs are in conflict with national programs. I think it

is fair to say that under the rural development program the intention will be to co-ordinate the efforts of not only provincial and federal governments but those of municipal and private organizations also, even down to individual farmers, in the proper utilization and conservation of our land resources.

The definition of the word "agriculture" has often taken many meanings. The dictionary itself uses many ways of describing it. However, in my opinion the definition that most appropriately describes agriculture is not contained in the dictionary but comes from some experience and knowledge in the practical application of farming methods.

In many respects agriculture seems to be regarded by the non-farmer as a very complicated business. Perhaps this is because we are living in an age where complications are worshipped. I prefer to think of agriculture as a technique whereby you continue to produce food from the land for as long as food is needed, but you will only continue to do that if what you take out of the land is replaced.

Here again the bill does provide for proper conservation methods and, in addition to this, the development of rural projects designed to complement the existing agricultural potential of a given area.

There are many ways in which projects can be carried out under the terms of this bill. Perhaps it might be appropriate, since I am from the province of Manitoba, to outline at this point what this particular province has done in attempting to prepare themselves to co-operate with the federal government in the development of their own resources.

First of all, starting shortly after the present government assumed office, they began to conduct a land classification survey—the only one in existence in Canada—to determine the agricultural potential of each area.

Following this they have carried out several economic surveys to determine what the industrial potential, in conjunction with the agricultural potential, of a given area will be. Several of these surveys have been completed and others are currently under way.

In the economic survey areas the province has set up what they call community development corporations, composed of individuals, businessmen, bankers, farmers and whoever may be interested, to decide upon projects that might be complementary to the existing economy of that particular area.

After having decided what projects will be best suited to their particular area, these development corporations will then apply to the provincial government, through the Manitoba development fund, to assist them in carrying out the projects they have in mind.

[Mr. Jorgenson.]

Provided that these projects are complementary to the plans for that area, they can receive financial assistance to carry on these projects.

As I mentioned earlier, several of the projects have been completed. I should like to quote briefly from part of the report on the economic survey of south central Manitoba, by Ebasco Services Incorporated, of October, 1960. On page 75 of the report, under the heading "Guidance for Development", the third paragraph reads:

> In any such plan all levels of government—

They are speaking here of plans for rural development:

> —will be involved and voluntary organizations such as chambers of commerce, agricultural societies, and community development corporations must lend their assistance to a co-ordinated program.

This is a point which I made earlier, and I think it is one that is significant because it appears repeatedly throughout this report. On page 76 under the title "Land Use and Economic Planning", this is what they have to say:

> Land use planning should be applied to the entire area of projected community growth of all urban centres to ensure the welfare of local citizens, the protection of commerce and industry through the prevention of improper land uses, the provision of adequate space for schools, hospitals, parks, playgrounds and industrial locations, and development of aesthetically pleasing street patterns and residential areas. It should be noted that security of investment in housing, commercial establishments and industrial plants can only be achieved if firm zoning and land use restrictions are applied consistently. At the present time new industries prefer to locate in centres with adequate land use planning. In future this preference may be expected to reach a point where location of new industries may be contingent upon such measures.

I think this indicates clearly the necessity of the implementation of this measure to assist communities and provinces in the proper utilization of their land resources. It is also interesting to note in the report of the delegation of the Canadian Department of Agriculture dated February, 1960, presented by request to the special committee of the Senate on land use in Canada, some of the observations of that body. At page 56 of the report, the following recommendations appear:

> Team effort of local people.—One of the basic tenets of the rural development program is the belief that local people can do things to help themselves if they are provided with motivation, leadership and financial aid.

As I outlined earlier, this is the philosophy which this government has adopted with respect to the development of our rural areas. We do not believe we should provide complete direction. I shall read the paragraph which occurs a little later on in this report and which corroborates this attitude.

This has been accomplished through the mobilization of local citizen groups under the guidance of the federal-state extension service and many community minded leaders. It was of interest to the delegation to learn about the large number and varied kinds of projects that local leaders and committees had put into operation and were considering for future action.

Later on they say:

The fact that the members of the local committees have a personal interest in bringing about improvements in the economic and social structure of the area is the real key to success.

This underlines the point I made earlier with regard to the Manitoba program where the initiative and the direction of community development programs takes place at the local level. Once they have decided upon a course of action they can request assistance from provincial and federal governments in carrying out the program.

In the fourth paragraph it is stated:

The real problem is to stimulate imaginative and critical thinking on the part of the local people so they are able to see the potentials and opportunities and the need for action . . . This is a town-country approach, and sectional interests are lost in the common good.

Some indication of the need for focusing on local effort in the development and direction of projects was noted by the delegation in at least two different states.

This observation is very important:

Where the line of direction was from the federal or state authority down to the local level, projects failed because of lack of local interest and support. The delegation found a strong feeling that the organization and direction should remain in the hands of local people but the stimulus and motivation, especially in the early states, should come from state and federal bodies through the co-operative extension service.

I think this clearly underlines the intention of the bill which is now before the house and certainly it is an indication that in many respects we can follow the experience that our neighbours to the south have gathered in the course of their rural development programs.

Perhaps it would not be amiss if I read here tonight from a statement which appeared in the Canadian Federation of Agriculture news and information bulletin of January, 1961. It gives a fairly clear indication of what type of rural development program could be organized in an area which is in need of some reorganization. This item appears on page 2 of this bulletin and it is entitled: "A Rural Development Project in Quebec". It says:

In recent speeches, agriculture minister Hamilton has made the point that in the future many farmers would be wise to develop alternative sources of income to supplement their returns from conventional sources. He has mentioned pulpwood as one of these alternative sources. There are no doubt others that come to mind and many have been developed in the United States under their expanding rural development program. The *MacDonald Farm Journal*, the monthly publication of MacDonald college, McGill university, edited by Leslie G. Young, the secretary of the Quebec Farmers' Association, carries a very interesting story in its December issue, which spells out how one farm family sought out an alternative source of income that has grown into a community project.

This story is set in the Sutton mountains, at the town of Sutton, 63 miles from Montreal.

I am sure the hon. member for Brome-Missisquoi (Mr. Grafftey) will be interested in this.

There are many mountains and hills in that area, and some of the farms are of a marginal type. One young farmer, Real Boulanger, a confirmed skier, decided that the community had real potential as a skiing resort. He and his family and friends organized Mount Sutton, Inc. in February of 1960, and purchased 2,300 acres of land on the north side of Mount Sutton, the highest peak within 100 miles of Montreal. Then came the development of a first-class ski resort. Experts were brought in to lay out the trails, and all summer long workers have been busy installing a double chair lift, a T-bar and building a chalet. A new road was built and parking for 2,000 cars was provided in time for the opening at mid-December. Jean Lessard, one of Canada's 1960 Olympic skiers, has agreed to provide skiing lessons. What has it meant to the community? Sutton is a rural community, and most of the local businesses were dependent upon the farm trade. The resort has brought new business. Twenty five people have been employed on the project, and it will provide full-time employment for from 15 to 20 people all winter. It is expected that the ski run will take from $60,000 to $70,000 the first winter, and that the total revenue in the community will be between $250,000 and $300,000. Real estate prices have soared, and many people have come out from the city to buy lots for country homes. The town has several new shops and stores, and there is a boom in the room and lodging business. Some 150 people in the town have listed rooms for skiers. The mayor of Sutton is most enthusiastic, and the Brome Country Farmers' Association has taken the initiative in seeking zoning bylaws to prevent the construction of sub-standard tourist accommodation.

This is just one example of rural development carried on through the initiative of a group of local people. It is not too difficult to imagine how many more projects somewhat similar in type could be carried on throughout Canada if some assistance in planning and financing could be given through provincial and federal governments. As I have already indicated, my own province of Manitoba is a province which is very active in laying the foundations for a development program to complement the existing economy, providing alternative uses of land, and thereby providing employment opportunities for people who are presently flocking to the cities, swelling our unemployment ranks.

It does seem to me that the intention of this bill is to create many new opportunities for farmers throughout Canada and, most important of all, to provide for the continuation of the land resources of this country so that future generations will have the opportunity

or making their living from the soil and providing food for the nation and, indeed, for the countries of the world for as long as food is needed.

I am sure that the minister would have made a far more extensive statement at this time than I have, and I trust that when he returns he will have the opportunity of commenting further and elaborating on some of the points I have made. Knowing of his enthusiasm for the contents of this bill, and with knowledge of the energy he has applied in bringing into effect the many programs which we felt are not only desirable but necessary for the continuation of our land resources, I am sure that hon. members of this house will support this bill. I have taken a great deal of pleasure in having had the opportunity of saying a few words at this particular stage of the bill.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I think it a matter of regret to many hon. members, certainly to some of us on this side of the house, that a situation has arisen this evening which I do not think, with proper management of the affairs of this house, should have arisen, in that the committee of agriculture is sitting at the same time as this important measure is being debated, and I agree with the parliamentary assistant, that it is an important measure. This is another illustration of the handicaps under which we are operating at the present time.

Mr. Pallett: How many members of the hon. member's party are in attendance at that committee, can he say?

Mr. Pickersgill: I do not intend to transgress the rules of this house even though tempted to do so by the hon. member for Peel (Mr. Pallett). I do say if the hon. member for Peel were doing his duty as chief whip that committee would not be sitting at the time this debate is going on.

Mr. Pallett: There is not a Liberal member down here.

Mr. McIlraith: That is not a correct statement and you should not put falsehoods like that on the record.

Mr. Pallett: I am sorry, there is one.

Mr. McIlraith: That is not a fact.

Mr. Pallett: You had better go and count them.

Mr. Richard (Ottawa East): You had better start counting the members of your party at that committee.

Mr. Speaker: Order. The discussion so far has been irrelevant.

[Mr. Jorgenson.]

Mr. Pickersgill: I will not challenge your ruling, sir, although it does seem to me that the incapacity of hon. members to take part in a debate on a particular measure of this kind and at the same time to take part in the deliberations of an important committee of the house is relevant. Perhaps more hon. members from this side of the house would be in the house participating in this debate were that committee not sitting, or would be in attendance at that committee if this debate were not going on. However, I do not intend to pursue this line further.

I do feel that we are perhaps fortunate, having in mind the desire of the Prime Minister (Mr. Diefenbaker) to finish the session by the end of June, in that the Minister of Agriculture (Mr. Hamilton) is not here, and that the parliamentary assistant, who is somewhat more modest, should have introduced the bill instead because, as he said himself, his speech was a great deal shorter, although I am not sure its content was substantially less on that account. Perhaps the hon. gentleman does not have the same capacity for verbal inflation that the Minister of Agriculture possesses.

An hon. Member: Listen to who is talking about inflation.

Mr. Pickersgill: It may seem rather surprising to some hon. members, although it will not to the hon. member for Provencher (Mr. Jorgenson) that I should be speaking on this particular measure. As the hon. member for Provencher no doubt knows at second hand, because he is too young to know at first hand, my father homesteaded in the bush of northern Manitoba when I was six years old.

Mr. Jorgenson: In one of the areas that will benefit most by this bill.

Mr. Pickersgill: No, in one of the areas that will not need to benefit by this bill because in that area around the village of Ashern, notwithstanding the fact that the land and climate there are not as good, as in many other parts of Manitoba, there has been a great deal of skill used over the years in developing crops, particularly specialty crops, such as certain kinds of seed, as the hon. member knows, which has made that particular community—I attended last year the fiftieth anniversary of the establishment of that settlement where I went 49 years ago —one of the more prosperous areas in that part of Manitoba, although it is not favoured with the best soil and conditions such as the Portage Plains and some other favoured parts of Manitoba. I think that is a very good illustration of what can be done if there exists good community spirit as has existed in that

place throughout the whole of its history. I can speak from detailed personal knowledge because its history only began the year before I went there.

Anyone who can recall, as I can, the wave of homesteading that took place in 1910-11-12, and the number of people who went up there after filing at the dominion land office in Winnipeg on a quarter section never having seen the place, who spent every cent they had and ran into considerable debt, and got heaps of rocks that could never possibly be made into farms, will realize that this is not an ideal way to settle and develop a farming community. If we had had the foresight, and I am not criticizing anyone in saying this, to see what some of these problems were at that time, we would have had much less need for legislation of this kind and other legislation that has been passed over the years.

I also remember very well the period immediately after the first world war when the soldiers' settlement board was being used as a device for getting the troops out of sight as quickly as possible when the war was over. My father was in the lumber business for the short while he lived after the war and I had a good deal to do with that business at that time and, as a consequence, was in a position to realize the debts that were run up but that never were repaid because the settlers could not possibly do so. I remember the over-capitalization with respect to land that ought never to have been settled, though some of it could have been used as part of larger holdings with some advantage, in the way that it is gradually coming to be used now.

Just as in our industrial development we have developed slums because of a lack of foresight and allowing nature to take its course rather too much, so too in the rural development of Canada there is no doubt that we have something analogous in far too many parts of the country.

Then, of course, in the thirties we had the terrible disaster of the dry weather which was so ruinous to so many people who had really established themselves very well and considered that they had permanent economic security. We had to take another hard and painful look at the whole problem of use of land in the prairies of western Canada. I think that anybody who has had the privilege that I assume most hon. members have had, and which I had once again at Easter time, of driving through and flying over great areas of the southern prairies will feel that in the 25 years since the period of the great droughts we have done a great deal collectively, through the federal government and through the operations of provincial governments whatever their political character, to rehabilitate the prairie land so as to make more effective use of it and to provide a measure of security not against drought, because we cannot have real security against drought, but against the worst effects of drought.

I think that we in this country can take a great deal of satisfaction out of the operations of the prairie farm rehabilitation legislation in the 25 or 26 years it has been in effect. I take it that it is mainly on the experience of the prairie farm rehabilitation administration that the present legislation is based.

I am very happy to have the opportunity to recall to the minds of some hon. members who were not here at the time that the former prime minister, Mr. St. Laurent, from the time he was counsel to the royal commission on federal-provincial relations, the so-called Rowell-Sirois commission, was very much impressed by and interested in the work that was being done on the prairies through federal soil surveys, P.F.R.A. and in other ways to conserve the soil and make the best use of it. It was largely through Mr. St. Laurent's own initiative that the ladies and gentlemen of the other place undertook the study of land use which has been drawn upon so heavily by the present Minister of Agriculture in the preparation of this legislation.

There is no doubt whatever, sir, that the extension, expansion and development of this work is an urgent problem. When all is said and done, no matter how great our industrial development, agriculture will always, at least in the foreseeable future, remain one of the main industries of this country. My own suspicion is that the economic importance of agriculture relatively, though perhaps not the proportion of our manpower engaged in it, will grow and not diminish in the next generation. I admit that is based, of course, on one very tall assumption, the assumption that we are not going to have a catastrophic world war.

But if we assume we are not it seems inevitable that the population of the world will go on growing. There is no doubt that North American agriculture is in the main so much more efficient than agriculture in any other part of the world. I am watching the hon. member for Kootenay West (Mr. Herridge) shaking his head, but I think he will find, having regard to the number of persons engaged in North American agriculture, that production on the whole is very much greater than anywhere else in the world. It may be that in other places more intensive methods are used, but there is no place where the application of capital and of modern methods and techniques has transformed an industry more than it has transformed agriculture in

the memory of everyone in this house. When you go out to the prairies today and see the number of people required to grow much bigger crops of wheat than were ever grown in the days of the horses when the farmers had to grow fuel for the horses in the form of oats, when you see the number of people that can produce what we are producing today and realize that the only part of the world where there are great agricultural surpluses is in North America, I think that the accuracy of my general proposition would be very hard to challenge successfully.

There is another very good illustration, of course. We can produce wheat in this country and sell it in the markets of the world but unfortunately we have not yet been able to produce many fully manufactured articles that we can sell competitively in the markets of the world. In other words, generally speaking our agriculture is more efficient in world terms than our manufacturing industries are.

At the same time we have far too large a proportion of our population engaged in agriculture that is not economic in any sense of the term, in agriculture that is very close to being subsistence agriculture. I do not think we have any genuine subsistence agriculture in Canada. I do not think in a country as far north as we are it would be possible to have real subsistence agriculture, but we come very close to it in far too many areas of this country. Far too many people are devoting far too much energy to a little patch of land without having the best kind of machinery, without the best kind of methods, without the best kind of knowledge, and as a result they are getting a very meagre living.

These is no doubt that from a long term standpoint legislation of this kind, properly administered and wisely and scientifically planned, can do a very great deal of good. I think that any step forward in this direction should be applauded by every hon. member on both sides of the house. But I think there are one or two cautionary words that also ought to be said. This legislation is not going to contribute in any way at all to the solution of any of our immediate problems. Indeed, it may do the reverse unless we are very careful because, at the present time, it would be a very grave error indeed to take anyone off a subsistence farm in order to consolidate holdings and make someone else's farm more efficient and put the person removed from his farm in the slums in one of our cities on relief. That would not be an advantage. That would be a disadvantage. That would be a backward and not a forward step.

[Mr. Pickersgill.]

Now, I do not want to be misunderstood. I am not suggesting for one minute the government has any such intention. I do not believe it has. But I do say that we must remember you cannot consolidate these uneconomic small holdings, you cannot remove every second farm family, without having some place for these others to go. While there is a lot to be said for seeking to decentralize industry for the sake of getting small industries into rural communities where they will provide alternative occupations at certain seasons of the year, where they will provide supplementary income and so on, we ought to remember that even more urgent than getting industry into these rural areas, at any rate while the people still have farms and are still making some sort of living, is to get some industries into the coal mining areas. There are a lot of people in those areas who will not have any way of making a living at all. We have not done much of a job in that direction.

There is only one situation in which legislation of this sort can work, and that is in a dynamic, growing society. We cannot have rural rehabilitation with three quarters of a million unemployed at the same time. This is a basic fact that we have to keep in mind. It is a good thing to plan. It is a good thing to get ready so that when we do get out of the economic doldrums, when we do start on the upturn again and when there are alternative opportunities, we will be ready to take advantage of them. These are all very good things but I do hope the Minister of Agriculture who is sometimes, I believe, more blinded by his own vision than is anyone else, will not go about as the Prime Minister did on a recent television show and talk about this measure as something that is going to be the immediate economic salvation of the country. It is not. This is not to condemn it at all, but it will have no immediate effect whatever. It cannot have and, what is more, it should not have because it is going to require a lot of hard thinking and hard planning unless it is going to go on the rocks as a result of bad management or bad organization.

We have had enough of these rural schemes in our past history to be aware of the many mistakes that can be made. There has been one conspicuously successful effort at rural settlement when we did profit from previous experience, as I think everyone would agree. I refer to the administration of the Veterans' Land Act after the second world war. This required a lot of planning, a lot of careful, detailed organization in order to keep the mistakes to a minimum. I hope that in carrying out this legislation, which I am sure will meet with good will from all quarters of the

house, it will be remembered that progress forward relatively slowly will be better than one leap forward and two leaps backward. I suggest that that kind of caution is necessary in commending this legislation.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have listened to the hon. member for Bonavista-Twillingate (Mr. Pickersgill) as a minister of the crown. I have listened to him as a representative of the fishermen. I have talked to him as an historian. I know that he is also a coming gentleman of the legal profession.

Mr. Pickersgill: Oh, no.

Mr. Herridge: But never before have I heard the hon. member for Bonavista-Twillingate speak as a rural philosopher and agricultural expert. I enjoyed his remarks this evening. However, before proceeding, I do want to suggest that when he saw me shaking my head as he mentioned that the most efficient farming in the world was in Canada—

Mr. Pickersgill: In North America.

Mr. Herridge: I understood him to say in the world.

Mr. Pickersgill: I think perhaps before the confusion grows I might just repeat what I said. I said I thought that, everything taken into account, North American farming was the most efficient in the world.

Mr. Herridge: Oh, but I cannot agree with that statement, Mr. Speaker. Anyone who has studied the history of farming, and I am sure some hon. gentlemen opposite will agree with me, knows that so far as the average production per acre is concerned, North American farming is lower than that of Great Britain or western Europe. Incidentally, the highest return per acre of agricultural land in Canada is found in British Columbia.

Mr. Pickersgill: That is part of North America.

Mr. Herridge: In any event, I enjoyed the hon. member's speech. Indeed, I could see that he was living in the past for a short time, thinking of the pioneering days and so was I. I come from a family that was among the thousands of other families in Great Britain who were sold land at the beginning of this century for $100 to $200 per acre in British Columbia; our family was fortunate, and obtained good land. However I know dozens of people who bought rockpiles for $100 per acre, that was an obvious unplanned development. This land was sold by the department of lands headed by the father of the present Minister of Justice (Mr. Fulton) to various land companies in southeastern British Columbia and these land companies sold it to green Englishmen as well as various other people from eastern Canada. We are, therefore, making some progress in respect of the utilization of land. I quite agree with the hon. member for Bonavista-Twillingate that we have made some mistakes and blunders in the past in settling land that never should have been settled. We have placed burdens upon people who wanted to gain their income from the soil, burdens that were completely unnecessary and in many cases unethical.

Having got those observations off my chest, I wish to say that we support this bill which makes possible a long term program to meet a long time outstanding need, that is the rehabilitation of our rural areas on a logical, scientific basis. As the hon. member for Bonavista-Twillingate said, this is not going to put men to work immediately. This measure will do little, in fact, to remedy present economic circumstances. This program should have been put into effect 30, 40 or 50 years ago, but I am glad we are starting now. It will take 15, 20 or 30 years before we realize any large scale effects from its application.

The people of the United States have been considering this question, just as we have. The problem there is similar in many of the states, particularly in some of the western and southern states. Since the introduction of the resolution by the ministers, I have been looking up some of the literature that has been published in the United States and reading about some of the programs that have gone into effect. I find that in 1955 a rural development program was initiated as a co-operative effort of the federal, state and local governments, including participation by private individuals and agencies, to develop the human resources of rural America, with particular emphasis on improving the conditions of the numerous low income families, both farm and non-farm, living in rural areas. In a special message to congress on April 27, 1955, the president directed attention to the problems of low income rural families and presented a recommendation for a concerted program developed in a study and report prepared by the department of agriculture.

Then, by an executive order of the president, dated October 12, 1959, the president established a committee of economic advisers in connection with this rural development program. Since that time, there has been a great deal of interest stimulated in the various states in connection with the program to which I have referred. I have read some of the literature. I have read the programs of the various states. I have read of the co-operation between governments, federal and

state and local agencies, labour unions, farm organizations and womens' organizations. I think we could draw somewhat from their experience because they have moved fairly quickly in this direction.

However, I might say that I prefer our approach to this question by the introduction of legislation such as we are considering now which provides for the division of responsibility as outlined and for co-operation between governments as well as the funds required to give the program effect. It outlines the specific purpose of the program, provides for co-operation between governments and also the funds required to give the program effect. I prefer this. The United States program is really a program correlating the activities of the numerous agencies in the United States in a rural development program without any central piece of legislation.

However, this program is very extensive. It provides for the conservation of soil, water and wildlife, co-operatives, credit for farming, conservation and home improvement; employment assistance; extension of educational facilities in rural areas, financial aid and services necessary to rural areas; food distribution in certain poverty stricken areas; forestry and forest product development, conservation and forestry management; health and sanitation provision in small towns and in rural areas; income maintenance for old age, survivors' and disability insurance; programs for Indians; development programs in rural areas; industry development in rural areas; marketing improvement; price support; public works planning; rehabilitation of the disabled.

It is interesting to note how these programs are similar to some of ours. Then there is research and resource studies; road and highway improvement in farm areas; vocational training and the development of water resources for domestic irrigation and power purposes. That is a very large scale program to which effect is being given in various states. I was interested to note the scope of the services as outlined in this handbook which is the rural development program handbook issued by the committee for rural development program, Washington, D.C., in September of 1959.

I am particularly interested in forest conservation and forest farm management. I was interested to notice this interesting piece of literature published in connection with the development of forest industry opportunities in rural parts of the United States. I am going to quote briefly from this handbook. I was very much taken with the format and the material in this booklet. It deals with the location of saw mills and things of that type. In any event I quote from this one page in order to emphasize the value of a tree planning program and of tree farm management. At page 4 of this booklet it is stated as follows:

> Timber owners of course benefit from the sale of timber but it is worth noting that for every dollar the timber owner gets for his stumpage an average of $17.60 more value is added to the original worth of the wood by the time it reaches the ultimate consumer. These additional dollars go out as wages for workers and income for companies engaged in harvesting, processing, fabricating, transporting, and distributing the forest product. If you don't have the industry in your community to convert your trees into forest products, those extra wood-based jobs never show up and those extra dollars just don't circulate among your people.

Then it goes on to deal with the necessity for dealing with tree planting on marginal land and the opportunities in the forest industry on a small scale and so on. It mentions particularly the possibility for the efficient and successful operation of small scale lumbering industry and manufacturing industries. It is proven from their experience under efficient management and with the co-operation of the state agencies concerned with the industries small companies can operate with eight to ten men employed producing lumber just as efficiently and just as cheaply as does a large concern under those particular circumstances.

Then I was interested to note that later on there was a reference to the fifth annual report in connection with this rural development program which interested me in view of the fact that we are now dealing with legislation to commence a similar program in Canada. I quote briefly from it. It is a very interesting report indeed. The thing that interests me is that once the leadership was given by the federal government and by the state government in co-operation with the universities farm organizations and in some cases labour organizations, co-operation was received from farmers and individuals and citizens in the smaller towns and communities to make this program work. It mentions here that there was a feeling "You have got to show me" in the first instance but as this program got rolling, its momentum increased and I am sure ours will too if we get it going. Respect and understanding developed, and respect came with understanding. I think we can learn a great deal from the five years' experience they have had in connection with this type of program. However, to quote briefly from this report:

> In spite of many difficult obstacles, the rural development program has consistently been enlarged and made more effective year by year since it was announced in 1955 . . .
>
> The record of achievement and progress has been remarkable, especially with the problems to be overcome.

In 1956, less than 25 rural counties in only a handful of states had begun formal programs. Today some 210 counties in all major sections of the nation have the work underway or in the final stage.

Reports show more than 2,000 projects to improve farms, build new industries and expand existing ones, help both youth and adults to obtain the training they need, improve health, and accomplish other aims.

Thirty states and Puerto Rico now have rural development work underway. Regional meetings are going forward throughout the nation to help leaders in all states plan and inaugurate rural development activities.

The whole book is written in an optimistic tenor and gives the statistics in relation to certain developments which indicate that the optimism is justified.

Tonight we are considering second reading of this bill. It is a first and long needed step. It will require over-all and careful planning. It will require careful surveys in co-operation with the provinces of areas that are particularly going ot be attacked. Then it will require understanding on the part of the local people. When you begin to inaugurate a program of this kind you very often run into local misunderstandings or local objections. I have on occasion met men who, if you threatened to move them off 10 acres of rocky land where they had lived for a good many years would resist to the limit. There must be an understanding on the part of the local people of what the provincial and federal governments aim to do for them. I am sure that understanding and co-operation will come with the co-operation of all the government and local agencies concerned. This bill plans to improve agriculture, industrial land, water, forest and wildlife management. It is fortunate that this program has come in at this time. It should have come in years ago. However, regardless of our difficulties at the present time I believe that we are entering a period in Canadian history that presents an unusual challenge.

It is easy to do things when it is easy to do them. However, we are facing problems which will challenge our ingenuity and our ability to co-operate with one another as Canadians, whatever our status and whatever our occupation and will challenge our initiative and our wilingness to work together. I am sure that in the future—and in the very near future I may say—we are going to see more and more people turn from the large centres. As far as I am concerned, in some respects the larger cities are cesspools of iniquity. I have always been in favour of decentralization of population. Mind you, I also realize that with large cities you get great opportunities for cultural activities. Life is full of compensations. But I think people will turn more and more to the rural areas and the small towns that serve them. I see this coming in the future. I have found a change in young men in the last year or two. Young men coming home from the war were anxious to go into industry because of the larger wages there. These were sons of farmers. I find some of them now thinking of going back on the land.

While the income per month is less, the cash is less, a good many of them found out that at the end of the year they saved more from working on the land than they had in what appeared to be well paid jobs in the larger centres. This is because of the higher costs, the tendencies to spend more, get into debt, and so on.

I am sure that, through the rural rehabilitation program, in the rural areas there can be found all the resources required in the future, together with the necessary living and working space to enable people to live and work under satisfactory and happy conditions, with the recreational opportunities which Canadians enjoy.

Where this progam is given effect, in the years to come I am certain it will provide rural economic growth and maintain a vigorous and happy rural life.

Mr. D. R. Gundlock (Lethbridge): Mr. Speaker, it is very seldom that I take up the time of the house to discuss problems. I am particularly gratified tonight to follow the hon. member for Bonavista-Twillingate (Mr. Pickersgill) and the hon. member for Kootenay West (Mr. Herridge), especially as they have both indicated their pleasure in supporting this bill.

The hon. member for Kootenay West, belonging to the very quiet and honourable group in the corner, had very little to say but to praise the bill. Like the hon. members, who preceded me in this debate I am rising to support this bill.

The hon. member for Bonavista-Twillingate mentioned several aspects of this matter, particularly those concerning the former government. He mentioned the fact that his father homesteaded. I should like to remind the hon. member that my father homesteaded also. This bill is designed particularly to rehabilitate agriculture generally, and as a son of a homesteader I look forward very much to its implementation.

I am in the particular category of farming which the hon. member mentioned. That is what is commonly known as the category of family farms. I do not think it is the intention of this government—although it may have been the intention of former governments—to remove every other farmer, as I think was mentioned, or the small family farmer.

I maintain very strongly, Mr. Speaker, and I say this for the benefit of the hon.

member for Bonavista-Twillingate, that the family farmer in Canada today can compete quite successfully, for the very reason that he is a family farmer.

I have a farm in southern Alberta. It is a family farm. The family consists of six children, as a matter of fact. I do not wish to take up any more time of the house on this point, but I simply say this. My family and I have no trouble in producing agricultural products in competition with so-called larger and more efficient units.

This bill lends itself particularly to the conservation of soil and water. It has been mentioned this evening that it is a long term bill and we will not see any results from it in the near future. However, in supporting this bill tonight I should like to draw your attention, Mr. Speaker, to the subject of the conservation of soil and water. These are immediate problems, and I am quite sure there will be very rapid beneficial effects as a result of this bill.

The hon. member for Bonavista-Twillingate mentioned the community spirit being adequate in agriculture at the present time. I take rather keen exception to the fact that the community spirit should be regarded as the answer to what this government has recognized, after so many years, to be a national problem. It certainly cannot be cured any longer at the community level.

It is difficult for me to discuss this rehabilitation bill without relating it to other departments. This bill involves the question of our national economy. The Minister of Trade and Commerce (Mr. Hees), for instance, has pointed out across this country, and I think in so doing has captured the imagination of all Canadian people, what Canadian industry must do, not only to survive but to reach a proper economical level. This must apply to the agricultural economy also.

For instance, in January last in my constituency of Lethbridge, in the vegetables section of one of the chain stores I saw something that I rather disliked. I saw carrots done up in beautiful packages encased in cellophane. I picked up one of these packages and found that it came from California. Compared with the carrots that we raise in our area, these tasted like kindling wood. I am sure the hon. member for Bonavista-Twillingate will recall what kindling wood tastes like, if he is a homesteader's son.

The point I wish to make is this. I talked to the manager of that chain store and said, "Sir, how much of this exists today in our local market?" The answer was that 80 per cent was imported. This is in an area which is supposed to be highy specialized, a highly productive area, with irrigation and years of experience; yet that situation exists.

This brings me back to my point. For the information of hon. members opposite, this is the reason I tie it in with other departments and industries in Canada, because you must complete the wheel; if you have a spoke out of a wheel, the wheel is no good.

Shortly after the war, and actually up to two or three years ago, Canada had little worry with regard to export markets, in relation to agricultural commodities. It was purely a sellers' market and producers could get almost any price for any product they wished to sell. That situation does not exist today. I could quote from *Hansard*, as a matter of fact, some remarks which have been made by former ministers in former governments which have actually got us nicely into some of this trouble. At that time we were promoting the sale of primary products —iron, or nickel or agricultural products, etc.—at a time when we should have been promoting secondary industry.

That brings me back to the illustration I gave a moment ago concerning the importation of agricultural products. That is actually the result of the lack of promotion of secondary industry as related to the agriculture industry. We in the agriculture industry must face the same situation as all the other industries in Canada are facing today. We must face the necessity of producing a product that will sell, and then go out and sell it, to quote the words of the Minister of Trade and Commerce (Mr. Hees).

As I said previously, I am happy to follow the two previous opposition speakers who have indicated their support for this bill, because it really is something for which the country has been waiting, something of which the country has been in dire need for many years; so long, in fact, that waiting for it has almost got to be a habit. The minister who now holds the portfolio of agriculture, together with his predecessor and this government as a whole must be given a great deal of credit for initiating this bill. Certainly they had a good foundation on which to build. The foundation was the need over the years amounting to a habit that has led up to the present difficulty.

In addition to the problems of production and of secondary industry is the problem of quality control. Today in this house we talked about national design. We must also bear in mind that in addition to design we need Canadian quality. There is no one in this house I am sure who will disagree with the statement that there is no substitute for quality. Quality control goes right along with the development of secondary industry in all industries as well as the agriculture industry. In short, the rehabilitation bill which the

minister has introduced means to me as a simple farmer and as the son of a homesteader a move to restore something to its former usefulness or to its former self.

With that explanation, which is a simple explanation, I begin to wonder what the former self was and why it is not its former self today. I have discussed that at some length, pointing out some reasons for the introduction of this bill and some solutions to the difficulties of the industry itself.

Recalling the former usefulness of the agriculture industry in my area, I can go back 40 or 50 years and it brings to mind the early Mormon settlers, the pioneers of irrigation in my area. Actually, irrigation is related to commercial production in Canada. They developed this industry in our area and produced high quality products for the market in that day making use of a most abundant water supply and most fertile land. Today, markets are different. We need an even higher production. We need even more specialization if we are to compete in world markets or even in our own national market. That is why I am so happy to rise in my place in this house tonight to support this bill. My experience—and my experience has been consistent in my area for years and years because I have watched some of these things develop over the years—is that effective government action has long been needed. Actually, I have abhorred the lack of government action particularly at senior government level.

Tied in with all these things is one subject that I should like to emphasize most of all at this time, the conservation of soil and water. These older irrigation companies—and when I say older irrigation companies I am speaking of irrigation companies in my area in particular and in the constituency immediately east of me, Medicine Hat—I have seen these develop to the point where at the present time we have several irrigation companies, some 16 or 17 of them actually, which by way of comparison may be compared with a municipality since they are corporate entities.

That brings another point to mind. I see the Minister of Labour (Mr. Starr) is here tonight and I should like to recommend that corporate entities such as these irrigation companies might be considered in another year as eligibile to participate in the winter works program. These companies have reached the point today where their capital works have deteriorated to the stage where it is becoming impossible to bring them up to their former standard of usefulness.

Then again, the land, itself, has deteriorated. One irrigation company in particular has told me that they have written off 16,000 acres as being no longer useful land under the present set up. Now when you multiply that by at least four or five large irrigation companies that adds up to 50,000 or 60,000 acres of formerly good, prime productive soil which is no longer useful. However, it is not past redemption. To bring it back to its former usefulness would require financial aid. I think that perhaps under this bill when it is finally implemented the former usefulness of this land may be increased.

May I say with emphasis that I am happy to rise in my place tonight in support of this bill because never before in Canada's history has it been possible for the federal government to financially assist the various areas of Canada in the restoration to its former usefulness, of what I consider the most important economy in Canada, and I refer of course to the agricultural areas. This will take time but if we have patience we can succeed. There are one or two aspects of the solution which will perhaps not take as long to accomplish as some hon. members opposite think.

The problems I mentioned before in respect to drainage and spoilage in soil resulted from poor management, lack of capital for proper construction of irrigation transmission lines, and other related things, but probably the greatest fault lay in the lack of experience.

The irrigation system to which I have referred was the first applied in Canada on a commercial scale and was quite successful. However, after a period of perhaps 20 to 40 years certain practices were found to be no longer advisable. The experience gained from these unhappy times has perhaps been of value to the construction of later irrigation systems. Through this experience we look forward to increased irrigated acreage in Canada, which will lend itself to increased agricultural production.

I refer particularly to those areas of Saskatchewan which will be irrigated following the completion of the Saskatchewan dam. Surely the experience gained by the solving of the problems encountered in the construction of the early irrigated areas in Canada will be put to use in future years. The present bill will provide an answer to the irrigation problems facing many areas in this country. Although it may be said by some that additional highly specialized agricultural producing areas in our nation should not be developed, I would suggest that within a very short time the necessity of having such areas will be clear. It is essential, therefore, that we profit from the experience of past mistakes and in doing so perhaps recompense those individuals who have suffered in this regard in the past.

This bill refers to conservation of water as well as soil. In my area the conservation of

water is very important. It is perhaps more important than even we who live in that area commonly known as the dry land area, realize. I suggest we should be very cognizant of this program because the problem is perhaps more acute than most of us realize. As an example of this, I might suggest that last year there was a water shortage in the Lethbridge northern irrigation district which is primarily supplied by Old Man river which, in turn, is supplied by a rather small watershed in the eastern Rockies, and particularly the Livingstone gap.

Some of the younger people in that irrigation area consider there was a water shortage last year and that the lack of supply was abnormal. However, the long term record shows that it was actually a normal year. I would point out that some of the older hon. members, including perhaps the hon. member for Bonavista-Twillingate and myself, will remember the drought years. If one could picture conditions following perhaps one, two, three, four or five drought years in relation to last year's normal condition one could realize what might happen if water is not without adequate storage, it is not difficult to visualize the effect on water supply of a drought period followed by, let us say, a forest fire, in the relatively small area of the eastern Rocky mountain watershed. I would suggest these facts have contributed to the present shortage, not only in our area but also downstream.

Mr. Speaker, I must apologize for dealing with the problems of other government departments, and in this case I refer to the Department of Mines and Technical Surveys, and the Department of Forestry, but I would strongly urge that immediate surveys be made for the location and development of extra water storage facilities, and a program developed to prevent the over-grazing of forest reserves. I make these suggestions not only in respect of my own area but in respect of areas to be developed in the future, such as these areas in Saskatchewan to which I have referred.

Mr. Speaker, to digress for a moment, I would like to commend the ministers of the Department of Agriculture and the Department of Labour for introducing the vocational training bill. This has established a precedent. Never before in Canadian history has it been possible by way of legislation for the federal government to contribute financially to such a vocational training scheme. This again must be related to agriculture because, as I pointed out a moment ago, there was a lack of knowledge which resulted in what some people might call poor management. In this day and age in a highly competitive economy, it is all the more necessary that there be specialized training in this particular sphere of the Canadian economy. I am sure that a vocational training scheme properly utilized can be applied usefully and certainly can be a great benefit to this rehabilitation program.

With the permission of the house I should like to dwell for a moment on vocational training, what I term real vocational training compared with what has been the practice of the departments of education in the various provinces of our nation. Possibly I am going a little far afield but my experience has been that in Alberta, for instance, our young people of high school age spend two, three or four years taking a course in agriculture, mechanics, welding or farm management and after they have spent that period of time in study they are not given any certificate. So far as education in Canada today is concerned, I think we are hampered and held back by hidebound provincialism when, from the national point of view and having in mind the state of transportation and communications today, our education should be on the basis that we are a member of the world community. I hope that as the provinces take advantage of the vocational training scheme, and I am relating it at the moment to agriculture, the provincial departments of education will see to it that after our young people have spent two, three or four years at high school they will not only receive a certificate when they graduate but will have received what I would describe as true vocational training.

By that I mean simply this. The student spends his time on automobile mechanics, a business course or an agricultural course and at the same time there should be a well-rounded program including such subjects as commercial law, business English and so on so that when the young person graduates with a certificate he will have a well-rounded education and what I regard as a real vocational or technical training.

Probably I should apologise for taking so much of the time of the house in mentioning other departments but all this must tie in because it is purely and simply related to this problem. I should like to emphasize that the agricultural industry is no different from any other Canadian industry. It must meet competition. When I was home during the Christmas recess and again at the Easter recess I was sorry to see all the imported products. I do not blame Canadian industry as a whole. It is true that Canadian industries must do their part. Government legislation cannot do everything. As we have been told many times, it is hard to help people who will not help themselves. However, I have great faith in the people who contribute to the agricultural economy of Canada. In my estimation this bill

makes it possible for the first time in Canadian history for them to go ahead on their own and certain financial assistance is provided that is available for the first time in Canadian history.

I should like to urge the departments concerned to have in mind soil and water conservation and the restoration of these assets for the benefit of the agricultural industry of Canada, particularly so far as my area is concerned which should be an area of specialized production of a product of good quality that is readily marketable not only in Canada but in the export markets of the world.

Mr. O. J. Godin (Nickel Belt): Mr. Speaker, I should like to take a few minutes to express certain opinions relating to the general principles found in the bill. Having regard to what was said by the hon. member for Kootenay West (Mr. Herridge), in order to ensure that members will listen to what I have to say I feel I should establish my connection with agriculture.

I am pleased to say that I was born and raised on a farm in the Verner region of northern Ontario which is known to be one of the most active agricultural areas in that part of Ontario. The hon. member who preceded me as well as other hon. members expressed surprise that the hon. member for Bonavista-Twillingate (Mr. Pickersgill) should be the first speaker on behalf of the Liberal party this evening in regard to this matter. It is my conviction that any member of the opposition who at one time held a ministerial post is definitely of the required calibre and fully qualified to speak on most problems that are of such interest as the bill we are now discussing, and undoubtedly the Canadian people realize that.

I also regret very much that while we are discussing the fundamental principles of this bill having to do with agriculture a measure which the government undoubtedly considers should receive the greatest of attention, the standing committee on agriculture, directed by the house to study the problems of that industry, is at present sitting and has sat all day.

I did not attend the meeting of that committee tonight, but chose to speak on this matter. I think it is most unfortunate, and the finger is pointing at those who engineer the business of this house, that this evening we find many hon. members who have made special studies in connection with this matter unable to attend to listen to the remarks of other hon. members or make contributions themselves. They should be entitled to do so.

There are principles in this bill, Mr. Speaker, with which I do not necessarily fully agree. There is one in particular upon which I should like to touch. This bill mentions the possibility of further research into agricultural problems. Undoubtedly this is a field from which the people engaged in agriculture can receive the most benefit. The government should make sure these people receive the best technical assistance and the best advice as to production methods.

On the other hand, if you read through the entire bill in an attempt to find the major principle, and if you leave aside the desire for greater research into agricultural problems, you find the bill then becomes a mere political pamphlet. In this bill there is a preamble such as we do not find in other bills of this nature. We find, too, the Minister of Agriculture (Mr. Hamilton) is given powers by means of which he may become involved in the problems of other departments. If one reads the bill one can readily see how the Minister of Agriculture may become involved in the problem of unemployment. The minister also has unlimited authority to become involved in major river projects. Anyone reading the bill will realize that the South Saskatchewan river project could have been initiated by the minister on his own authority. Furthermore, the bill contains no provision as to the amount of money which may be involved in any agreement that may be made with the provinces.

I realize, Mr. Speaker, that according to the British North America Act agriculture is partly the responsibility of the federal government and partly the responsibility of the provinces. The phraseology which is employed in this bill leads one to believe that the Minister of Agriculture could pay 100 per cent of the cost of a project within a province. In my opinion we do not find this type of provision in other bills which we have discussed here on previous occasions. The usual practice has been to state the extent to which the federal government could become involved under the bill. The powers given to the minister by this bill are absolutely unlimited. Although the farmers do receive some encouragement from this measure with regard to the research that would be undertaken, I feel it would be most dangerous to accept all the principles which are set forth in the bill.

I shall be most pleased to bring to the attention of the parliamentary secretary to the Minister of Agriculture (Mr. Jorgenson) certain clauses of the bill which give the minister unlimited power when the measure is discussed in committee. I shall refer also to those provisions which enable the minister to take over responsibilities of other departments.

I am certainly in support of what I consider to be the main principle of this bill, namely

ways and means for encouraging further research into the problems of agriculture. Undoubtedly, the farmers cannot do this for themselves because they lack the equipment, the laboratories and so on to do this work. Agriculture is one of the most important industries in Canada, and at this time the government should certainly promote the necessary research to assist the farm population in taking care of their soil, finding better methods of controlling the soil as well as ways and means of conserving water. We fully realize that the implementation of this bill will assist our farmers, and for that reason we are in favour of it. Certainly when we are discussing the measure in committee, Mr. Speaker, I shall indicate the points which I consider to be wrong in principle.

Mr. J. N. Ormiston (Melville): Mr. Speaker, I am certainly very glad to be able to speak in support of Bill No. C-77. Those of us who come from the province of Saskatchewan and who have watched the career of our Minister of Agriculture (Mr. Hamilton) for many years, are proud to be able to speak in support of a bill which will endeavour to divert submarginal and marginal farms to more profitable use. This evening we have heard some discussion which has been broad in its aspects but rather vague in some of its generalities. I have listened to some of the opposition members speak, and particularly the last hon. member who referred to the principles which are involved in this bill.

Those of us who have been closely associated with rehabilitation in the past do not have to go very far to find on what principles this bill is based. Twenty six years have now elapsed since the inception of the prairie farm rehabilitation program in 1935 under a Conservative government, to deal with the immediate problems of drought and soil drifting which were then having severe effects on agriculture in the Canadian prairies. During this period of time many policies and projects have been undertaken, varying widely in their nature and scope, to meet the various situations.

Basically, however, they have all had as their one objective better land utilization and more efficient use of available water resources as a means of providing greater security and stability for prairie agriculture. I do not want to apologize at the moment for bringing in prairie agriculture, Mr. Speaker, because we will find in the application of this bill, principles which are fundamental to the Prairie Farm Rehabilitation Act, an act which provided for the rehabilitation of agricultural land and the development of rural areas.

In this connection, much progress has been made and much valuable knowledge and experience has been gained on which to base future long range land and water conservation planning in western Canada. Initially, this work has involved the introduction of those systems of farming, land use, and water supply, which would provide greater economic security for the agricultural population on the prairies and more recently, the development of larger and more comprehensive land utilization and water development schemes that will serve entire agricultural districts and prairie communities.

Cultural improvements which have been made have led to almost a completely new approach to the economics and practice of dry land farming. Techniques in soil management and methods of making more efficient use of limited supplies of soil moisture available, have been developed and are now in common use, which have helped materially to minimize the drought problem in drier area. The development of assured farm water supplies throughout the drought region for domestic, stockwatering and irrigation purposes, has also contributed greatly in bringing about more stable agriculture over a wide area. In particular, the development of assured feed supplies through irrigation for the winter feeding of livestock, and the provision of reserves of feed to carry livestock over periodic dry periods, has given much increased stability to the livestock industry and has been a major factor in encouraging greater agricultural diversification in the plains region.

Finally, the permanent removal from cultivation of lands which have proven submarginal for cereal crop production, and the fencing, regrassing, and other improvement of such areas for community pasture purposes as well as the resettlement and rehabilitation of farmers operating such lands, principally to irrigation projects, has been a major factor in bringing about necessary adjustments in the pattern of land use required on the prairies.

Where these adjustments have been of considerable benefit to the agricultural economy, new and growing demands for water required by larger municipal and urban centres for domestic and industrial purposes, as well as to support large-scale irrigation, have made necessary the development of larger and more comprehensive water storage and irrigation schemes where more dependable and plentiful water supplies can be obtained. To this end, P.F.R.A. in more recent years, has devoted an increasing amount of its attention to this type of development.

Under the terms of the Prairie Farm Rehabilitation Act, an initial appropriation of

$4,750,000 was made to cover the cost of rehabilitation activities for a period of five years, and an advisory committee was established by the act to give leadership to the program.

Rather than establish new services, existing agricultural services were given assistance to expand their operations to handle the work. In particular the experimental farms service played a major role. As the P.F.R.A. program developed, however, a separate administration was set up in Regina in 1936 to direct water development, while the cultural improvement program continued under the direction of the experimental farms service. Then by amendment to the act in 1937, the P.F.R.A. was extended to include land utilization and resettlement.

It was realized, however, that for the development of a sound agricultural economy on the prairies, more long term measures for rehabilitation would be necessary. In 1939, therefore, additional financial allocations were made and the five-year limitation to the P.F.R.A. was removed.

From the way in which P.F.R.A. has developed, it can be seen that it certainly gave us a sound basis for expansion in the act we have before us tonight. There are other aspects of the Prairie Farm Rehabilitation Act which I am sure will be of interest to those who come from those areas where they can be applied. I want particularly to deal for a few moments with land utilization and resettlement. In order to provide for this type of program an amendment was made to the P.F.R. Act in 1937. The act was broadened in its scope to include land utilization and land settlement. This opened the way for a program which has had a far-reaching effect on the stability of agricultural production in many areas throughout western Canada. By agreement with the provinces of Saskatchewan and Manitoba, lands not considered suitable for cereal crop production may be transferred to the federal government for development by P.F.R.A. into community pastures.

The province concerned selects the area to be developed and obtains control of the land. The land is then leased to the government of Canada which in turn agrees to construct, maintain and improve community pasture facilities in the area selected. In this way land subject to the hazards of soil drifting is removed permanently from cultivation and is again protected by a grass cover.

As these submarginal and marginal lands are converted into productive pastures, livestock production on the surrounding farms is being increased, thus making possible a greater diversity of farm income. Since the community pasture program began in 1937, a total of 1,886,364 acres of land have been developed into 65 separate pasture units. These pastures, primarily intended for reserve grazing areas to supplement farm and ranch pastures, are now providing controlled spring, summer, and fall grazing for over 120,000 head of stock annually belonging to some 6,331 farmers. In addition, a considerable tonnage of hay and some grass seed has frequently been harvested from these pastures. The program of pasture improvement carried on by P.F.R.A. has provided leadership to farmers in the development of their own farm pastures.

The resettlement of farmers from these submarginal areas has been handled jointly by the federal government and provincial governments concerned. Where available, the provincial governments provide suitable crown land on which to resettle farmers. P.F.R.A. in turn accepts responsibility for moving the farmers and their effects to their new locations, and the development of the submarginal areas turned over to P.F.R.A. for pasture purposes. Every effort is made to resettle farmers on lands which are located close to existing or proposed pastures so that the farmers may take advantage of the supplementary grazing facilities the pastures provide.

Where it has not been possible to find crown lands suitable for resettlement, P.F.R.A. has provided its own through irrigation development. Two such schemes have been built specifically for resettlement purposes in Alberta. The first involved the development of a large block of land adjacent to the eastern irrigation district called the Rolling Hills project, on which 118 farm families from the drought areas have been moved. The other is the Bow river irrigation project where approximately 27,000 acres in an area called the Hays district has been set aside for resettlement. There are now 162 farm families settled in the district.

Similarly on somewhat the same principle, five resettlement and rehabilitation projects have been built in the heart of the drought area in southwestern Saskatchewan. The only difference is that for these projects the purposes and objectives of the resettlement and rehabilitation program have been achieved without necessarily involving the movement of farmers to new locations. The five schemes, namely the Valmarie, Eastend, Consul, Maple Creek and Swift Current irrigation projects, are subdivided into 40-80 acre plots which are leased out or sold to farmers in surrounding districts for feed production. On the irrigated land, farmers can be assured of producing adequate and

dependable winter feed supplies as well as reserves of feed to carry stock over prolonged drought periods.

In a similar manner hundreds of farmers have been rehabilitated without the necessity of moving from their farms by the development of farm-size and small community irrigation schemes built throughout the prairies with P.F.R.A. assistance.

With regard to water development, this work is carried out under the supervision of the water development division of the agricultural services branch. Projects constructed under this program are divided into two main categories according to the size of the project, the number of people benefiting, and the cost of construction. These include individual and neighbour projects, and community projects.

Individual and neighbour projects include those works which serve the needs of one or two farmers. These are generally in the form of small dams and dug-outs that supply water for stockwatering and domestic use, and/or for irrigation purposes. In such cases P.F.R.A. provides all engineering services required to plan and design the project, and a portion of the construction costs.

The rate of assistance paid on individual projects is based on yardage of earth moved and amounts to seven cents per cubic yard up to a maximum of $250 in the case of dug-outs, $300 for stockwatering dams and $600 for irrigation projects.

Where two or more farmers pool their water resources to build neighbourhood projects, assistance is paid up to a maximum of $1,000.

Mr. Pickersgill: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: Order. The hon. member for Bonavista-Twillingate has risen to a point of order.

Mr. Pickersgill: Mr. Speaker, I have been listening quite carefully to what the hon. member has been saying, and recalling at the same time Your Honour's decision earlier in the day in respect to another measure.

I am wondering how a detailed, historical account of what has been going on under another act of parliament which has been in operation for many years can be related to a debate on the principle of this bill.

It does seem to me, sir, that in view of the fact we are being asked to sit very long hours in this house to expedite the business of the house, there should be on the part of the supporters of the government the same kind of relevancy that is expected from those of us on this side of the house.

[Mr. Ormiston.]

Mr. Ormiston: Mr. Speaker, I should like to point out to the hon. member who has just resumed his seat that when I began discussing this bill I said it was based on rehabilitation. The principles of rehabilitation have been well advanced under the Prairie Farm Rehabilitation Act, the principle of which will be the basis of the present legislation.

The Prairie Farm Rehabilitation Act will be taken over by this bill in so far as concerns the rehabilitation of agricultural land and the development of rural areas, and will be an integral part of that act. For this reason I believe it is most relevant to show hon. members what they can expect under the advancement of this legislation.

I have not very much more to say, Mr. Speaker. However, I should like to mention that while the immediate needs of farmers are being met by P.F.R.A., attention has also been given in more recent years to the construction of larger irrigation and reclamation projects involving the development of many thousands of acres of land.

Such undertaking are in line with the long range land use plan to provide for expansion and stability in Canada's growing economy. Of an estimated 3 million acres of potentially irrigable land in western Canada, 1½ million acres have been or are in the process of being developed. The aim is, when conditions warrant, to develop the remainder of this valuable resource.

The development of these large irrigation and reclamation works in western Canada, which either because of their size or location have not been included under the regular P.F.R.A. appropriation, has in recent years been under the supervision of the prairie farm rehabilitation administration.

These projects are undertaken by agreement between the federal government and the provincial government concerned, on a cost sharing basis. Special authorization of parliament is of course required for the construction of these major projects.

In conclusion, may I remind the house that this will of course be a fairly expensive project. However, the money will be used to make productive what is not now productive, or is only scantily so. It will be used to train farmers in different and more productive types of farming. It will be used to preserve the remaining natural resources of this nation, which we hope can be restored to their natural value.

Mr. H. W. Danforth (Kent, Ont.): Mr. Speaker, I rise in my place tonight with the sincere desire, in speaking on this measure, to bring to the attention of hon. members of this house the absolute necessity at this time

of acting on this measure which deals with the conservation of soil and water resources, and the terrible consequences of any delay on the part of the governments concerned.

I confess that I am indeed greatly disturbed by the tenor of the opinions expressed by the hon. members in opposition tonight and in other discourse on this measure. These hon. members seem to be dealing in generalities and political expediency rather than with the consequences of such a measure in relation to agricultural and other resources of this great nation of ours.

I am sure that if they indeed understood the ramifications of this bill they would be more fully aware of the absolute necessity that we act, and at the earliest opportunity.

The quotation commonly used, that familiarity breeds contempt, can in no manner be more fully illustrated than in regard to the attitude of some of the occupants of this country toward its soil. Soil is a commodity of which it was thought that we, a comparatively new country, had an endless supply. The degree of fertility of soil is the very basis of the life of humans on this earth today.

This soil is not unlimited either, because it is only the very top few inches of soil which is the direct source of the world's food supply for man and beast.

I think the contempt with which we treat this vital resource is truly appalling. Consider even the descriptive names that we use, such as earth, dirt, filth, mud, dust and grit. These are hardly terms of endearment. Indeed, our disregard for this commodity in this country has reached such a degree that it is a fact that we have in Canada more fertile soil covered by broken down machinery and used cars than the total fertile soil area that can be found in some countries.

In this country we take soil, and what do we do with it? We dump it in rivers; we put it in swamps; we use it to fill lakes, crevices, craters and ravines. We seem to do everything that we can to be rid of it.

On the other hand, in other countries it may be looked upon almost as a treasure. If found, it is carried home gently in a pail, a cloth or even a basket and is carefully tended in order to produce a tiny quantity of food for a hungry people.

It is well known that in regard to food prouction per given unit of soil, our country either equals or excels any other nation in the world. It is true that our basic agricultural problems today are perhaps caused by the overproduction of various kinds of food. Why would an area such as Kent county, which I represent—or indeed all southwestern Ontario, which is one of the high production areas of food in Canada—have need of a conservation program for soil and water? What need have we for tree farms, community pastures, or indeed government aid under a bill such as we have before us tonight?

I should like to elaborate on this point because I fear hon. members are not aware that we in these areas of high production have perhaps some of the most submarginal land that can be found in Canada today. May I point out to hon. members that too often when disaster is about to strike the indications are least evident. This is a fact often borne out by history. Hon. members will recall the history of the races of Indians who used to inhabit Central America and the southern United States, nations which were in an advanced state of civilization. Their main food was corn. This corn was grown on ground from which the virgin forest had been burnt off. This burning served to kill the weeds and sterilize the ground. It provided a fertile source for the corn, and the process served very well for two or three years. When the time came when the weeds had choked out the corn it was a common practice to burn off another part of the forest and move to the new area.

These nations practised no form of conservation and their neglect led to terrible consequences. Indeed, when there was no more virgin forest left to cultivate the nation almost starved to death, because when the weeds choked out the corn they had no method of controlling them, not even that of pulling out the weeds.

We can recall the dust bowls in the United States, in our own west and in other countries, dust bowls caused by the scarcity of rainfall and by our own agricultural practices which remove the grass cover. May I dare to say that lack of knowledge and direction is more serious than most people imagine or could even dream? As I pointed out, lack of proper conservation even in our richest farm land is causing us to lose our topsoil fertility at the rate of hundreds of thousands of tons, not in a generation but each and every year. Farmers are the first to become aware of the forces that are constantly at work to waste and destroy this greatest of our national resources, fertile soil, which is in effect the lifeblood of our world.

All too often the picture conjured up by the word "erosion" is the rushing of water caused by melting snow or heavy rains pouring down the hills and slopes to creeks and rivers and carrying with it topsoil from the surface in its violent rush and depositing this soil in lakes, rivers and oceans. This is witnessed today by the tremendous expenditure each year on dredging this sediment from

channels and river mouths. This erosion is a fact, but I might point out that it represents only a small part of the picture. There are other ways in which soil is eroded, not so violent but equally deadly, and these processes are at work on our soil 24 hours of every day.

One of them is our method of farming. By constantly cropping for cash crops we remove tons of essential elements from the soil and return little in their place. The cultivating methods used by farmers today tend to keep our soil in a loose, friable condition in which it is most liable not only to erosion by water but to seeping down in fine particles through the soil itself into the subsoil out of reach of the searching roots of plant life where, very often, through man-made underground water drains they are ultimately carried by surface water to rivers, lakes and seas.

May I have the indulgence of the house to illustrate by a small example the magnitude of the problem? In an experiment conducted by the soil and water conservation research centre, Ohio, as reported in the February 1961 issue of "Successful Farming" on page 47, the following facts were noted as having been achieved. Each of two watersheds was planted to corn following two years of meadow. Here is the manner in which the two identical watersheds were treated in order to determine the amount of possible erosion and the effects, if any, of a planned conservation program which took the form of a change in the accepted practice in the planting of a crop of corn. The one was ploughed across the slope, disked twice, harrowed once, planted on the contour, and cultivated twice to control weeds. Hon. members familiar with this crop will, I am sure, agree this is normal procedure. The fertility level of this tract was low; the soil was limed to a PH of 5.4—this is an index reading of the degree of acidity of the soil—and an alsike red clover-timothy mixture was the meadow crop ploughed under.

The conservation method, one of minimum tillage, was ploughed on the contour, following the natural curvature of the slope, throwing the furrow slices uphill. The planting operation followed the ploughing, planting inside the tractor wheel tracks, and there was no further working of the soil, hence the term minimum tillage. This watershed had a high level of fertility; it was limed to a PH of 6.8 on a ploughdown of clover-alfalfa-timothy mixture. The run-off and eroded soil were measured on each watershed and the results seem almost unbelievable. In one season, the results of the conventional method as compared to the conservation method were as follows based on a unit of one acre; water run-off, 98,000 gallons compared to 270 gallons; top fertile soil 7.1 tons compared to 60 lbs; yield, 70 bushels of corn compared to 82 bushels. What better proof is needed of the tremendous need of a conservation program in our best farming areas?

How can we detect erosion? Does it require a trained technical expert and elaborate experimental equipment? Not at all. Anyone who takes the trouble to really see the soil they look at, can see it all around them. First, there is often a very marked decrease in the amount of produce derived from a given area of land. The character of the soil itself often changes very radically and instead of being soft, granular, sweet-smelling and springy, it becomes hard, cement-like in texture, resistant to water penetration and has a tendency to dry very quickly and blow very easily.

To this, however, is added the more insidious and dangerous fact that the food from such soil becomes constantly lower in its nutrient content. There is less mineral content, less protein, carbohydrates, and in some instances a tremendous scarcity of the trace of essential elements normally found in such foods, with the result that such food used for man or beast can cause many diseases and malformation directly attributable to malnutrition. For further proof we have only to compare the chemical analysis of such food with those produced from new or virgin soil. The difference is startling in its magnitude.

We find also that not only are crops on eroded soils stunted and of lower food value, but are more adversely affected by the elements and by drought, and far more subject to attack by disease and insects with a consequent further drop in production. It is true we have learned to augment some of the fertility of the soil by chemicals called fertilizers but even to these we have to continually add more and more elements to spur production. In many instances even this fails and the farmer soon learns that fertilization is a medicine and not a cure.

One other effect of soil erosion is the reduction of soil population. Hon. members know, I am sure, that soil should be living. Every cubic inch of soil contains billions of micro-organisms so very necessary for the growth of plants and the production of food. These micro-organisms work on insoluble elements in the soil and, either by the production of acids or enzymes, or concerted action with other species, reduce rocks, elements and vegetable matter to a substance, soluble and in a form available to plants as a food. When these micro-organisms are not in the soil in sufficient numbers, plants will not thrive or even grow at all.

Farmers can see this on their farms. Vegetation ploughed down in the fall should be worked on by these organisms and by the next growing season should be broken down to a rich black mulch containing a high percentage of plant food. In a great many instances today, ploughs are turning up vegetation of a previous year almost in identical condition as ploughed down. The micro-organisms are not there and the soil becomes hard in nature, difficult to work and water runs off instead of percolating through. As a result we have a poor farm incapable of providing a normal standard of living for the occupants. This complete breakdown in soil is the direct result of erosion aided and abetted by the elements and could, if allowed to proceed unchecked, starve a nation.

Fortunately through the years by trial and error, by research and experiment, man has learned to combat this force to a limited degree; limited only by finance which curtails the necessary experimental work, and by legislation which would provide a co-ordinated and directed effort to fight this erosion—in other words, soil conservation. For this reason I wish not only to go on record as strongly supporting the principle of this bill, but to ally myself with the hon. members for Lambton-Kent (Mr. Campbell) and Halton (Mr. Best), and other hon. members who have long advocated a federal agriculture research committee to co-ordinate all experimental work in agriculture in order that advances may be much greater with far less duplication. These hon. members are on record as being in support of this proposal and I too wish to be placed in that category.

May I now pay tribute to industry which has recognized this problem to a remarkable degree. In Kent county very many industries, such as fertilizer companies, canning companies, and some machine companies, as a public service will either themselves test a farmer's soil for deficiency and recommend fertilizer and tillage methods to correct these defects, or using a local company, such as the C & D Sugar Company, who run experimental farms in the area, carry on research, grow demonstration crops and hold field days to enable the farmers to observe the results for themselves, and all of this at no cost to the farmer, except an earnest desire on their part to conserve and preserve the fertile soil to increase its productivity. This company—and as I am proud to say many companies in Kent county; Libby's Canners, C.I.L. and Canada Packers—actually has a staff of agricultural specialists available at no cost to farmers to aid and advise in all matters of soil conservation and production.

At this time I would like to pay tribute to the agricultural schools, colleges and agricultural representatives who have graduated from these schools and colleges, who offer such tremendous help in pointing out the value of soil conservation, and who have introduced practices to combat the deadly scourge of erosion.

May I suggest to hon. members that the problem of soil and water conservation of this nation should not be left entirely on the shoulders of such companies, noble as is their effort, but should instead be guided and co-ordinated by a joint federal-provincial agency. This agency should have the end in view of accomplishing the maximum amount of conservation in the minimum amount of time, and have sufficient funds placed at their disposal to allow them to begin the great measures necessary to counteract the tremendous forces of erosion ever present in Canada today.

I fail to see why all hon. members cannot endorse this measure completely. I would like to go on record as supporting this bill in its entirety and would very seriously entreat all hon. members to look into this aspect of soil erosion of our very fine farm lands today.

An hon. Member: Mr. Speaker, may I call it 10.30 o'clock?

Mr. Deputy Speaker: It is 10.30 but I see the hon. member for Selkirk (Mr. Stefanson) rising.

An hon. Member: It is 10.30 o'clock.

Mr. Deputy Speaker: We should call it 10.30.

Mr. Pickersgill: It is 10.30.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, before I ask the house leader what the business is for tomorrow, might I respectfully suggest to him that instead of carrying on with this debate while waiting for the Minister of Agriculture (Mr. Hamilton) could we just adjourn this debate until he is back to wind it up and go on instead with something else in order that we make more progress? I hope the minister will give us plenty to do tomorrow because it is going to be another long day.

Mr. Peters: Could I also suggest that this matter be deferred while the agricultural committee is meeting, as it has been today, because the majority of the hon. members who wish to speak on this bill also have to

attend the meetings of the agriculture committee and it seems to me that they should not be expected to divide their attention beween the two.

Mr. Churchill: All these sugestions will be taken under consideration, Mr. Speaker.

Tomorrow we will have third reading of Bill No. C-85 regarding the national design council, followed by the consideration of Bill No. C-87, concerning agreements under the Coal Production Assistance Act. Then we will follow with second reading of Bill No. C-88 dealing with the army benevolent fund. These three items will not take up much time of the house.

The next item will be second reading of Bill No. C-86, an act to amend the Fisheries Act, followed by second reading of Bill No. C-77, the bill we have just been debating. I presume the Minister of Agriculture will be here to conclude the debate on second reading. That will be followed by a resolution in the name of the Minister of Transport dealing with freight rates reduction. The seventh item I have marked here is the resolution which appears on the order paper today in the name of the Minister of Finance dealing with the Farm Improvement Loans Act.

Mr. Pickersgill: Would the minister consider the possibility at some early stage of completing the deliberations on the motion to set up the sessional committee on railways and shipping so that the committee can proceed? I take it that the debate is practically over.

Mr. Churchill: Yes, that will be done very soon.

At 10.30 p.m. the house adjourned, without question put, pursuant to special order.

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of debates pursuant to standing order 39:

OPEN TENDERS ON FEDERAL WORK

Question No. 184—**Mr. Argue:**

1. Are federal (a) government departments (b) crown corporations, required by law to call for open tenders on work to be performed for them by private firms?

2. If so: (a) under what statute or regulation is this required in each case? (b) what general criteria are used in the selection of an accepted tender?

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

Assuming that the words "open tenders" refer to tenders requested by public advertisement and that the word "work" refers to works projects or construction projects, the answers are as follows:

1. (a) Yes, within prescribed limits, except for contracts entered into under the Defence Production Act but in the latter case it is standard practice to advertise tenders publicly whenever practicable.

(b) Yes, within prescribed limits, for departmental corporations named in schedule B to the Financial Administration Act. No, for agency corporations and proprietary corporations named in schedules C and D, respectively, to the Financial Administration Act except, within prescribed limits, for those listed in 2(a) below. However, for corporations not listed below the common practice is to advertise tenders publicly whenever practicable.

2. (a) Government departments—the Public Works Act and the government contracts regulations (P.C. 1954-1971, December 16, 1954).

Departmental corporations—the government contracts regulations.

Agency corporations—national harbours board—National Harbours Board Act.

Proprietary corporations—St. Lawrence seaway authority—(P.C. 1954-1087, July 13, 1954).

Questions

(b) Total cost to the crown, compliance with specifications, ability, financial resources and integrity of bidder.

Assuming the words "open tender" refer to tenders opened in public the answers to questions 1(a) and (b) and 2(a) are "No" except in the case of the national harbours board where pursuant to the National Harbours Board Act tenders are to be opened in public within the limits prescribed therein. Moreover, the treasury board has issued instructions to all departments to the effect that within practical limits tenders for construction projects are to be opened publicly.

Assuming the word "work" refers to purchase contracts, there is no requirement to call tenders by public advertisement and the usual practice is to invite bids from a representative list of suppliers.

PURCHASES FROM DEPARTMENT OF FISHERIES, VANCOUVER

Question No. 197—**Mr. Broome:**

What was the total value of local purchases made from the Vancouver office of the Department of Fisheries in the years: 1958, 1959, 1960?

Answer by: **Hon. J. A. MacLean (Minister of Fisheries):**

1958-59	$ 89,350.00
1959-60	$132,380.00
1960-61	$143,358.00

PREVAILING RATES OF PAY, NATIONAL DEFENCE, OTTAWA AREA

Question No. 200—**Mr. McIlraith:**

What are the rates of pay for the following prevailing rates employees of the Department of National Defence in the Ottawa area, and when did these rates come into effect: (a) plumbers (b) painters (c) motor mechanics (d) carpenters (e) labourers?

Answer by: **Hon. Pierre Sevigny (Associate Minister of National Defence):**

(a) $2.80 per hour effective May 1, 1960, (b) $1.90 per hour effective October 1, 1960, (c) $2.00 per hour effective May 1, 1960, (d) $2.35 per hour effective May 1, 1960, (e) $1.51 per hour effective May 1, 1960.

APPENDIX

LAOS—MESSAGE TO SUPERVISORY COMMISSION FROM PRIME MINISTER OF CANADA

May 1, 1961

Message from the Prime Minister of Canada to the Opening Meeting of the International Commission for Supervision and Control in Laos, April 28, 1961

The international commission for supervision and control in Laos resumes its duties in difficult and indeed critical circumstances. Relief that the co-chairmen have called for a cease fire and that the parties in Laos have in principle expressed agreement to this must be mingled with concern regarding the prospects for its early implementation and the conditions which will then obtain. It is my earnest hope that the parties in Laos will with the utmost speed arrive at satisfactory understandings on the orders to be given to implement a cease fire and that immediately following such agreement the commission will be able through its own representatives to verify that the cease fire is in fact being observed so that the conference may take place as planned on May 12. I am well aware of the difficult and arduous nature of the tasks with which the commission is likely to be confronted. The Canadian government will make every effort to ensure that the activities of the commission will promote the objective, which I am sure we all share, of a genuinely pacified, independent and neutral Laos. I wish you well in the tasks ahead.

HOUSE OF COMMONS

Tuesday, May 2, 1961

The house met at 11 a.m.

TRADE

GRAIN—ANNOUNCEMENT OF SALE TO CHINA

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, the house will recall that on February 2 I informed hon. members that a sale of 40 million bushels of wheat and barley, valued at approximately $60 million, had been contracted between the Canadian wheat board and the China Resources Company.

I now inform the house that there was an additional sale to China of 2.2 million bushels of wheat, valued at $3.7 million, for shipment during March to May, 1961. Those connected with shipping grain through the west coast ports have made a fine effort to meet these commitments. As a result, the grain sold to China for delivery between March and August is being loaded ahead of schedule.

Simultaneously with the fulfilling of the first order there have been discussions and finally negotiations between the Canadian wheat board and the China Resources Company concerning further amounts of grain that could be made available. Because of the quantities of grain involved and other factors, the Canadian government felt there should be an over-all agreement to facilitate orderly marketing.

I am now pleased to report that a long term agreement has been signed. This long term agreement covers the period June 1, 1961 to December, 1963. Under this agreement we have committed ourselves to provide up to six million tons of barley, wheat and flour. Of this amount approximately one million tons will be barley. To put this into approximate bushels and value, it would provisionally be 186.7 million bushels of wheat and 46.7 million bushels of barley, worth approximately $362 million.

If one adds the previous order for 28 million bushels of wheat and 12 million bushels of barley, valued at $60 million, then the total transaction that could provisionally be expected for the three calendar years 1961, 1962 and 1963 will be 217 million bushels of wheat and 58.8 million bushels of barley, with a total approximate value of $425.6 million.

I mentioned earlier that the first order of 40 million bushels was being moved satisfactorily. As an extension to the order now being filled, a contract to provide additional grain from June 1 to November 30 of this year has been signed. It is the first contract under the long term agreement. The amounts are 750,000 long tons of wheat, 360,000 long tons of barley and 32,500 tons of flour, to be shipped mainly from west coast ports. The equivalent in bushels is 28 million bushels of wheat, 17 million bushels of barley and 1.5 million bushels of flour. The estimated value of this order is $66 million. The terms of payment under the long term agreement are 25 per cent cash and the balance in 270 days.

Hon. members will appreciate that it is beyond the resources of the Canadian wheat board to extend credit facilities for the quantities involved in these transactions. Accordingly the government, reflecting its intensive efforts to sell grain in volume to new markets, is prepared to guarantee to a maximum of $50 million the credit necessary for the Canadian wheat board to conclude these transactions on a short term credit basis. I have made it clear that there is a long term agreement. Under that agreement one contract has been signed. Each future contract will be negotiated in respect to price and quantity.

A sale of this order will spread substantial benefits through the Canadian economy. Not only will it provide a welcome increase in western farm incomes, but this in turn will release new purchasing power for the goods and services required by farmers from the business community at large. Additionally the sale will generate increased employment for country and terminal elevator operators, railway and dock workers, and others engaged in the domestic handling and export movement of grain and flour. It is apparent that new grain sales of this magnitude will add significantly to Canada's total earnings from exports. Business activity in general will therefore be stimulated to a marked extent by the conclusion of this new sales contract with China.

Hon. L. B. Pearson (Leader of the Opposition): We on this side welcome the minister back from his trip across the Pacific to Hong Kong, where he has been successful in negotiating a long term agreement with

the communist government of China and a considerable sale of wheat, barley and flour for the current year 1961.

So far as the long term agreement is concerned we can only hope on this side that an agreement of this kind negotiated with a government of this type will work out satisfactorily for our own country. There is, of course, an element of insecurity in an agreement negotiated with this kind of government, because political considerations often intervene between the purchaser and the seller. It is perhaps somewhat ironic that famine in red China, a country with which we have no diplomatic relations, has meant this large sale of grain which we welcome. We welcome also the reduction in our surplus together with the increased activity that the sale will provide.

But, of course, this is not normal trade. This is a windfall. Two factors make this sale even more unusual. One is that credit terms are now being given to the communist government of China, as mentioned by the minister. We sell wheat to our friends for cash. We sell it now to a government which we do not recognize diplomatically, for credit. Also the minister is reported as stating at a press conference in Vancouver that we shall accept pounds sterling for this sale, pounds acquired by communist China through the sale of rice to sterling countries.

It is clear, of course, that the United States is not a competitor for this trade, because United States trade with China in all commodities is now illegal. While that is not a reason why we should not develop our own trade with China in commodities which are not on the strategic list, a position we have taken on this side for some years, this deal, however, undoubtedly will mean that the United States may not feel itself under the same obligations as it was previously in co-operating with us in the sale of agricultural products abroad.

Considerations governing this arrangement show that in government thinking there is a distinction to be observed—and this applies also to South African developments—between political ideology and commercial advantage, and that political ideology does not prevent a commercial embrace.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, if my memory serves me correctly the former Liberal government sold wheat to Poland on long term credit.

Mr. Pearson: We recognized Poland diplomatically.

Mr. Herridge: Mr. Speaker, I am perhaps out of my element in commenting on this subject, but if the hon. member for Assiniboia were here he would say that we welcome this announcement. We are glad the minister has been able to make this contract for the sale of this wheat, but with over 500 million bushels of surplus grain on the prairies and with an annual production of grain of approximately 500 million bushels, the minister must continue actively searching for markets which will bring even greater results if we are going to meet the needs and the expectations of the producers of grain in western Canada, for whom I speak today.

[*Later:*]

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I should like to address a question to the Minister of Agriculture arising out of his interesting statement this morning. Did the minister indicate in Vancouver yesterday that payment for some of the grain to be sold to communist China would be in pounds sterling; and if so, what proportion of the payment would likely be made in pounds sterling?

Second, in his statement I think the minister said that the shipments would be made mainly from west coast ports. Have any deliveries so far, under the agreement which commenced in February, been made out of eastern Canadian ports, and does the minister contemplate that some deliveries will be necessary from other than west coast ports during the 1960-61 shipping season?

Mr. Hamilton (Qu'Appelle): Mr. Speaker, dealing with the portion of the question concerning shipping, all the first order has been shipped through the four west coast ports. If the additional orders starting in June overlap the previous orders it will be necessary to ship a portion of them, about 300,000 tons out of the 1.2 million tons, out of the St. Lawrence ports.

With regard to the part of the question dealing with sterling, as I understand it all the payments will be made in sterling.

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a question to the Minister of Agriculture and ask whether he is aware of the fact that the port of Prince Rupert is 500 miles nearer to the Orient than Vancouver, and every opportunity should be taken to use the grain terminal facilities there.

Mr. Hamilton (Qu'Appelle): Mr. Speaker, if the hon. member had been following the announcements which I have been making these last three or four months he would understand that the port of Prince Rupert has never been so busy, and that situation will probably continue for some time to come.

Mr. Howard: A supplementary question, Mr. Speaker. Does the minister not realize that I only want to see it busier?

BUSINESS OF THE HOUSE

BANK OF CANADA—CONSIDERATION OF REPORT BY COMMITTEE

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, in accordance with notice which I gave orally last week I wish to move, seconded by the hon. member for Ottawa West:

That the annual report of the governor of the Bank of Canada to the Minister of Finance and statement of accounts for the year 1960 be referred to the standing committee on banking and commerce for study.

Mr. Speaker: Undoubtedly the hon. member has considered whether this motion can properly be made, and if he can indicate any precedent for a motion of this kind I would appreciate him doing so now.

Mr. Martin (Essex East): Mr. Speaker, last week this matter was discussed. The report of the discussion will be found at pages 4043 and 4044 of *Hansard* of April 27, 1961. The presiding officer of the chamber at that time took the position that under citation 186 of Beauchesne's Parliamentary Rules and Forms, fourth edition, there would be difficulty in a private member of this house giving oral notice in respect of a motion of this sort. It was pointed out that under that citation certain exceptions were provided in respect of routine proceedings. It was argued per contra that this involved proceedings affecting the maintenance of the authority of this house.

Some discussion took place between the presiding officer at that time and the member for Essex East, later participated in by the hon. member for Bonavista-Twillingate. The remarks of the Deputy Speaker, to be found at page 4044 of *Hansard* of April 27, 1961, I believe support and warrant the initiative taken by me this morning. He observed, as reported in the right hand column at the bottom of the page as follows:

Mr. Deputy Speaker: I think the comments of the hon. member for Bonavista-Twillingate have clarified the point. As he says, if the notice given by the hon. member for Essex East is not intended to have this question stand on the order paper, there is no problem—

Then later on at page 4045, in the left hand column, about a quarter way down the page, he says:

I do not think that is necessary because the question seems very clear and, as I said, the hon. member for Bonavista-Twillingate has removed any doubt I might have had.

I believe I should be frank in this matter, Mr. Speaker. At the time I myself had understood that the Deputy Speaker had taken a position against the submission I had made, but on a careful perusal of *Hansard*, as I am now indicating by some excerpts, it is clear I think that the Deputy Speaker did in fact concur in the clarification so ably provided by the hon. member for Bonavista-Twillingate.

On the merits, Mr. Speaker, the submission briefly is that, under the Bank of Canada Act, the governor of the Bank of Canada is responsible only to parliament, according to the Minister of Finance. By way of parenthesis I say, of course, that exception is taken to that interpretation of the governor's constitutional and legal responsibilities. Nevertheless, in part, that is the legal position; the governor is responsible to parliament with respect to monetary policy. His report is in the hands of the government and has been made available to members of this house, but no opportunity exists for an examination of its contents, based upon interrogation of the governor or otherwise. It would seem to me incomprehensible that the governor of the Bank of Canada, who is responsible to parliament, should not be available for questioning by parliament. This brings the matter within the bounds of what is a routine proceeding, and is covered by the explanation of citation 186 and clarified by the ruling which Mr. Deputy Speaker gave on April 27.

For these reasons, Mr. Speaker, I submit that this written motion of mine, oral notice of which was given last week, is in order. It is the only procedure available to this house in view of the government's reluctance to have the report of the Bank of Canada placed before a committee of the house for consideration. It would render completely ridiculous the legal responsibility of the Bank of Canada to parliament if parliament was not given the opportunity in the face of the government's refusal and reluctance, to examine the report of the Bank of Canada. It would mean that the governor was not responsible to parliament in fact but was responsible only to the government, a contention that is denied by the government.

For these reasons I submit that this motion is in order and that the house ought to be given a chance of passing judgment on the merits.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the hon. member has perhaps served his purpose in trying to discuss the issue that he would like to raise today under the disguise of a point of order. The point of order, Mr. Speaker, is quite clear and the Deputy Speaker of the house,

who was in the chair on April 27, has dealt with the matter completely and succinctly. When the hon. member for Essex East sought to raise the matter and to purport to give an oral notice, the Deputy Speaker, as appears at page 4043 of *Hansard*, quoted citation 186 from Beauchesne's Parliamentary Rules and Forms, fourth edition, as follows:

> Oral notices for future proceedings do not exist in the Canadian House of Commons.

As the discussion proceeded I read the remainder of the citation, which simply confirms the ruling that was made by the Deputy Speaker at that time; because by no stretch of the imagination could what the hon. member for Essex East is attempting to do here now be possibly justified in view of the terms of citation 186. What was attempted by him at that time was a complete nullity, and what is attempted by him here today is, under the rules of the house, a complete nullity. He is seeking to make new rules to fit the occasion, Mr. Speaker, and those rules are not to be made in quite this way. The only way such a private member's motion could proceed would be by unanimous consent, and that unanimous consent is not given.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I could say a word before you make your decision on this point. In the first place, sir, it seems to me, however much respect we may pay to citations from Beauchesne, that when one examines the standing orders of the house one will find there is no prohibition against a private member getting up and moving a motion having to do with routine proceedings. In fact that is done practically every day in the house, as Your Honour well knows and as is pointed out in the citation referred to by the hon. member for Essex East.

Only yesterday there was at least one motion, if not two, for concurrence in the report of a committee moved by the person who is chairman of that committee but who in the house is merely a private member. Moreover, motions are frequently made to change the composition of a committee and, in fact, one was made yesterday by the hon. member for Elgin.

There have been occasions—I remember well when the question first arose in recent times—when there has not been concurrence in these motions being moved immediately; and the question of notice, which was never published anywhere, was settled, I think, by Mr. Speaker Macdonald by a suggestion that they might be printed in routine proceedings, but there is no such requirement in the rules.

[Mr. Fleming (Eglinton).]

Fundamentally, the point I wish to make is a very simple one. It is a recognized principle of our constitution, one particularly dear to those of us on this side of the house, that we have responsible government in this country and that the executive is responsible to the house. It seems to me, in default of any specific prohibition in the rules, that it must be assumed that there is a procedure, a method, by which that responsibility can be exercised, and that it certainly would be a denial of the rights of hon. members to deny them the possibility of testing the views of the house with respect to whether any report should be referred to a committee.

The government should not have control of that. That should be in the control of the house, even where the report in question is a report made to the house by a government department. But the situation, of course, is tremendously aggravated in this particular instance by the view taken by the government that it has no responsibility and that there is a direct responsibility to this chamber.

Mr. Speaker: I think the hon. member in that line of argument is perhaps dealing more with the merits of the motion than with the point of order.

Mr. Pickersgill: It was only the aspect of order with which I was seeking to deal. If this house is to exercise that responsibility which we have under the constitution, it is important that members of the opposition should be able to make the necessary routine motions in an effective way when the government does not do it, and this is particularly important where it is argued that there is no direct responsibility to the government.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I will say no more than this. In the years I have been here and when hon. gentlemen opposite were in the government, at no time was it ever permissible for a private member to move the type of motion that has been moved today. When the hon. member for Bonavista-Twillingate talks about those on the other side now believing in responsible government, I am glad they have at last achieved a belief in something they so continually disregarded when they sat over here. I simply point out, and it is interesting to note this, that after all their examination, which must have been meticulously careful, they were unable to find one example to support them in their contention.

Mr. Hellyer: Where is your championing of the rights of parliament now?

Mr. Speaker: I think the practice, procedure and interpretation of the rules are reasonably clear. There are two matters involved in the motion submitted by the hon. member for Essex East. The first is the question of whether oral notice of motion can be given, and that was discussed the other day. I think our standing orders and practice are clear, and I refer the house to standing order 41 which reads as follows:

> Forty-eight hours' notice shall be given of a motion for leave to present a bill, resolution or address... Such notice shall be laid on the table before six o'clock p.m., and be printed in the *Votes and Proceedings* of that day.

Then I refer to Bourinot, fourth edition, page 295, where he says:

> In the House of Commons, when a member has prepared his notice of motion in writing, he hands it to the Clerk...

Further on the same point, citation 186 of Beauchesne, fourth edition, reads in part as follows:

> Oral notices for future proceedings do not exist in the Canadian House of Commons.

I think it is fair to conclude that this is a well established practice in our house. Whenever a notice is required it has to be in writing. In standing order 42 it is provided that in certain cases notice may be waived by the house, but that involves unanimous consent, and it is not the case which falls for decision.

The other point is whether notice of motion of this kind can be brought on routine proceedings and, if so, by a private member. The hon. member for Essex East has failed to produce any precedent for the rather unusual course which he suggests. Motions made during routine proceedings include motions relating to the business of the house, according to Bourinot, fourth edition, page 219, footnote (s). On the same subject Beauchesne says in citation 85 of his fourth edition:

> The motions allowed on routine proceedings are motions relating to the business of the house and for the discussion of reports from committees.

Standing order 32 of our rules, subparagraph (1) (m), gives us a general idea of the kind of motions which can be made during routine proceedings, and I refer hon. members to subparagraph (m) of this order which is the order relating to debatable motions. Subparagraph (m) says that the following motions are debatable:

> (m) such other motion, made upon routine proceedings, as may be required for the observance of the proprieties of the house, the maintenance of its authority, the appointment or conduct of its officers, the management of its business, the arrangements of its proceedings, the correctness of its records, the fixing of its sitting days or the times of its meeting or adjournment.

Assuming only for the purpose of argument that this motion does relate to the business of the house, which I shall deal with later, the further question remains whether it could be moved by a private member. It is well established and certainly has been the normal practice that the responsibility for the business of the house and for initiating motions with respect to the business of the house rests with the house leader. Motions which might come under that section are motions relating to the time of sitting as well as the business of the house, approving appointments, transfers, dismissal or retirement by the civil service commission of certain officers of the house, expressing sympathy for the death of some prominent person, or acknowledging any gift made to the house, or accepting or making any invitation, or making an unimportant correction in the debates, *Votes and Proceeding* and *Journals* of the house, or for the election of the chairman of committees of the whole house or for the appointment of the special selection committee. Questions of privilege, when raised under routine proceedings, also come within that category.

At any rate, that is the type of motion admitted. I think it might be worth while to put Bourinot's further views on record. In his fourth edition, at page 301, he says:

> Motions applying to the business or arrangements of the house are called, in the ordinary daily routine, after the presentation of committee reports and before the introduction of bills. As a rule these motions require notice, but some are of such a purely formal nature that by general consent notice is not insisted upon.

Also Beauchesne in citation 87:

> It is a fundamental rule that with the exception of certain matters dealt with under routine proceedings, no question can be considered by the house unless it has been previously appointed either by a notice or a regular order of the house.

Then citation 88 (2):

> All motions referring to the business of the house should be introduced by the leader of the house.

I think it is reasonably clear that the business of the house is normally introduced by a motion of the house leader, and it is also reasonably clear what type of transaction is included in the business of the house.

There are some instances of the kind of motion which the hon. member for Essex East has in mind and of how they have been dealt with. I have just picked out two for the information of the house. They are quite recent. They are instances from last year. I have here the *Routine Proceedings and Orders of the Day* for Monday, March 7, 1960. At page 2 under the heading of "Daily Routine of Business" there are listed the following:

> Introduction of bills; first reading of Senate public bills; Government notices of motions.

The government notice of motion for that day was one standing in the name of the Minister of Finance, as follows:

> That the public accounts I and II, and the report of the Auditor General for the fiscal year ... be referred to the standing committee on public accounts.

That is a motion of this type and it was dealt with on the motion of the Minister of Finance, under government notices of motion. It was then, of course, transferred to and dealt with as a government order in due course. The same thing is found on Friday, March 11, 1960, where under the name of the Prime Minister, under the heading of government notices of motions, stands the following motion:

> That the report of the Canada Council for the fiscal year ended March 31, 1959..., be referred to the standing committee on public accounts—

And so on. This proposed motion is about a report of the Bank of Canada or deals with a report of the Bank of Canada, which, as the hon. member says, is required to be made to parliament under the Bank of Canada Act, and is of the same order and character as the two reports or documents referred to committees by the government under notices of motion, as I have indicated, and dealt with subsequently under government orders.

The hon. member raises the question of whether a private member can do the same thing. I think it is clear that a private member can do so if he can use the notice of motion procedure which is open to private members under our rules. But, of course, that procedure would involve the giving of written notice of 48 hours. The notice of motion would then appear on the order paper at a place where, at this stage of the session, it could not be dealt with.

The hon. member's complaint, I take it, is that because this motion cannot be dealt with in the way that is normally open to a private member, therefore there must be some way of dealing with it under our rules. I think that is the fallacy of the argument. Our rules speak for themselves and our practice has been settled. We must interpret them as they are. If they are defective in not giving a private member of the house an opportunity to make a motion which he feels he should make, or to take a procedure which he feels he should take, the remedy is to amend the rules, not to depart from the practice which has been well established.

I therefore think I must follow what appears to me to be the logical course and indicate to the hon. member that I do not think he, as a private member, without notice, can make the motion which he proposes to make except with the unanimous consent of the house. I think that covers most of the points that have been raised and is my best judgment of our practice as it applies to the hon. member's motion.

Mr. Martin (Essex East): Mr. Speaker, I rise not to take issue with your ruling, but first of all to thank you for the great care you have obviously taken in trying to protect the rights of the private members of this house.

You have said that in your judgment there is no procedure open to a private member to make the kind of motion which I submitted a few moments ago. However, in the course of your remarks you made the observation that it would be permissible to seek to raise the matter in another by way of a question of privilege. Whether Your Honour had made this observation or not, in my effort to exhaust the possibilities open to us I was about to raise—in the light of your ruling, not in contempt of it—a question of privilege.

My question of privilege is one that affects me as a private member of this house, and indeed it is a question that affects the privileges of all members of this house. The question of privilege is that we are not given the opportunity which I believe duty demands of us in the examination of a document which is now in the possession of the house and which in my judgment—

Mr. Speaker: Order. Before the hon. member proceeds may I make this observation. If his question of privilege is what he appears to indicate now, I am afraid he is not warranted in trying to make a matter of privilege out of a point of order. The rules of the house are set by the house itself. It is not a breach of the privileges of the house to observe its own rules.

I think I perhaps omitted one point which the hon. member made and which he asserts as a privilege, namely that there is no opportunity for him as a private member to deal with this situation which he feels should be dealt with. I do not accept that assertion. There are other opportunities in the procedure of the house to raise the question of the report of the governor of the Bank of Canada. The only thing that I am proscribing this morning is a motion by a private member, made without notice upon routine proceedings to refer that report to a committee. Other opportunities and courses may be open to the hon. member. I am sorry that I cannot accept his question of privilege. I therefore consider the matter closed.

Mr. Martin (Essex East): May I say that I have a motion based on the question of

privilege, which I have not completed and which is incorporated in the following motion:

Whereas the bank—

Mr. Speaker: Perhaps if the hon. member would indicate his motion, then the neat point of privilege will be indicated there and it will fall to me to decide whether there is any prima facie question on which the motion could be raised.

Mr. Martin (Essex East): The motion is as follows:

Whereas the Bank of Canada Act as interpreted by the Minister of Finance provides that the governor of the bank is not responsible for monetary policy to the government but only to parliament; and whereas—

Mr. Speaker: Order. I am sorry to interrupt the hon. member, but he is really presenting an argument here under the guise of a motion of privilege. I am afraid he has taken the wrong course. I have seen nothing of privilege involved so far. Unless there is a neat point of privilege which arises—and I cannot see where it would arise—I think the hon. member should desist.

Mr. Martin (Essex East): Mr. Speaker, it is only because this matter is of the greatest importance that I beg leave to indicate to Your Honour that this, through the exact form of the motion, I believe will be a means by which this problem can be dealt with by hon. members in the absence of any positive way of having this report referred to a committee of this house. This has been done only after the most careful consideration.

Mr. Diefenbaker: Mr. Speaker, I certainly like to hear the hon. gentleman talk, but I think after you make a ruling that ruling should be observed. I thought a ruling had definitely been made. The hon. gentleman persists in this course, which he must know —I say he must know—is contrary to the rules of the house, and I ask Your Honour to proceed accordingly.

Mr. Speaker: The right hon. Prime Minister is quite right in saying that when I have come to a conclusion, as I have both on the point of order and on the question of privilege, the matter is then disposed of. The other course open to the hon. member is to appeal the ruling that has been given.

Mr. Martin (Essex East): Mr. Speaker, I do not propose to appeal your ruling—

Some hon. Members: Order.

An hon. Member: Then sit down.

Mr. Martin (Essex East): —but I do propose to say to the Prime Minister that I am not yet of the disposition to accept lectures from him.

Mr. Speaker: Order. The Prime Minister is within his rights, as the hon. member recognizes, in drawing attention to the fact that a ruling has been made. The question of privilege has been disposed of and the matter is closed.

RESEARCH

CHANGE IN PERSONNEL OF SPECIAL COMMITTEE

Mr. John Pallett (Peel) moved:

That the name of Mr. Danforth be substituted for that of Mr. Robinson on the special committee on research.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I rise on a point of order. I believe no notice has been given of this motion, and according to the ruling just made it would require notice, which it is improper for a private member to give. There is not unanimous consent to proceed with the motion.

Mr. Pallett: Mr. Speaker, I bring this motion as a member of the special committee which was appointed at the beginning of the session to deal with the composition of committees of the house. If hon. members opposite, who also comprise this committee have objection to the change, then I think we will have a meeting of the special committee and determine this matter there.

Mr. Speaker: It may be that our practice has departed somewhat from principle in that a member of the committee, rather than the house leader, proposes the motion. But certainly this type of motion has been so well established, in my experience of parliament, that I do not propose to accept an objection to it at this time.

Motion agreed to.

LABOUR CONDITIONS

THREATENED RAIL STRIKE—INQUIRY AS TO FURTHER TALKS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he has any statement to make on the reported breakdown of negotiations between the non-operating unions and the railway companies.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have no official information in this connection, although I have been advised that there was a discontinuance; not a permanent discontinuance, but a discontinuance. I hope, and I am sure the Leader of the Opposition will agree with me in this connection, there will be an immediate resumption of negotiations. I do not want to

say anything that would prejudice those negotiations in any way, but I do think every effort should be made by both the railway companies and the unions to arrive at an agreement in this connection, because the Canadian people do not want a strike.

Mr. Pearson: Mr. Speaker, may I ask a supplementary question. Would the Prime Minister confirm the statement he made in this house on November 30 last, as reported at page 359 of *Hansard*, that if there is an agreement to raise wages it shall go back to January 1, 1960?

Mr. Diefenbaker: Mr. Speaker, I would not think a reference to a statement made in November, 1960, would be a question for the orders of the day.

UNITED NATIONS

CONGO—REPRESENTATIONS RESPECTING PREMIER OF KATANGA PROVINCE

On the orders of the day:

Mr. Laurier Regnier (St. Boniface): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. In view of the tense situation in the province of Katanga in the Congo because of the arrest of Mr. Moise Tshombe, has Canada made any representations to the United Nations and to the commander of the Congolese soldiers, General Mobutu, requesting the release and safe conduct of Mr. Moise Tshombe of Katanga?

Hon. Howard C. Green (Secretary of State for External Affairs): No, Mr. Speaker. The actual position of Mr. Tshombe remains obscure at this time and we are not entirely certain that he is, in fact, under detention. The Canadian attitude has been to refrain from interference in the internal political affairs of the Congo and to leave these to the Congolese themselves, with whatever help and advice the United Nations can give. We have confidence that the secretary general of the United Nations will take whatever appropriate and useful action is open to him.

PUBLIC BUILDINGS

ROUYN, QUE.—APPEARANCE OF NEW POST OFFICE

On the orders of the day:

Mr. Maurice Bourget (Levis): Mr. Speaker, may I direct a question to the Minister of Public Works. Has the minister received complaints from the population and public bodies of Rouyn, Quebec, concerning the ugly and disgraceful appearance of the new post office building in that community? If so, will the minister tell the house what action he intends to take to remedy the situation.

[Mr. Diefenbaker.]

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I have not personally received any notice of this serious charge, but I should be very glad to accept this question as notice.

Mr. Azellus Denis (St. Denis): A supplementary question, Mr. Speaker. If the minister looks into the matter and finds that it is a disgraceful building, will the minister assure the house that this kind of soap box will not be built elsewhere in Canada?

Mr. Walker: Mr. Speaker, nobody knows more about soap boxes than the hon. member.

Mr. Denis: May I direct a question—

Mr. Speaker: Order. The artistic merits of the post office already constructed seem to me not to be of such urgency that they should be raised on orders of the day. As for those built in the future, this is a purely hypothetical question and I suggest the hon. member has not presented a proper supplementary question.

Mr. Denis: Mr. Speaker, may I address a question to the Postmaster General. I should like to know whether the Postmaster General approved the design of that building, or does he have—

Mr. Speaker: Order.

TRANSPORT

NEWFOUNDLAND—FERRY SERVICE BETWEEN EAST COAST AND MAINLAND

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I should like to direct a question to the Minister of Transport. In his absence I will direct it to the acting minister. Has the hon. gentleman's attention been drawn to an article in last Friday's *Daily News* of St. John's, Newfoundland which stated:

> Transport minister Balcer said yesterday in Ottawa that the question of a ferry service linking the east coast of Newfoundland with the mainland is "still under study".

Could the hon. gentleman say when he expects the study will be completed?

Hon. George H. Hees (Acting Minister of Transport): My attention has not been drawn to that particular article, but I shall mention it to the Minister of Transport and I am sure he will deal with it in his usual prompt and efficient manner.

FREIGHT RATES

REPORTED STATEMENT BY PRIME MINISTER ON APPLICATION OF SUBSIDY

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime

Minister if he would care to comment on a report issued by the Canadian Press on April 28 to the effect that the right hon. gentleman had said that the government notice given to the commons earlier this week in relation to the legislation to extend the roll-back subsidy on freight rates would act in the same way as a budget proposal which becomes effective when it is announced, subject to later parliamentary approval?

Right Hon. J. G. Diefenbaker (Prime Minister): I would not care to comment on that.

FISHERIES

INQUIRY AS TO CONSISTENCY OF AMENDING BILL AND BILL OF RIGHTS

On the orders of the day:

Mr. Frank Howard (Skeena): I wish to address a question to the Minister of Justice. I apologize for not having given him notice, but at the same time I am sure this is a question which he will be able to answer without preparation.

I wonder whether the minister has exercised his responsibility under section 3 of the bill of rights and looked at Bill No. C-86, an act to amend the Fisheries Act, sponsored by the Minister of Fisheries. If so has he found any inconsistencies in that bill with the terms of the bill of rights?

Hon. E. D. Fulton (Minister of Justice): I can assure the hon. member that the Minister of Justice always exercises his responsibility under section 3 of the bill of rights and the answer, as I am sure he has anticipated, is that this has been done in the case referred to and no inconsistency has been found.

Mr. Howard: A supplementary question. May I ask whether the minister has examined Bill No. C-76 standing in the name of the hon. member for Burin-Burgeo, and whether he has found any inconsistency there or not?

Mr. Fulton: The Minister of Justice has looked at the proceedings of the house and the purported Bill No. C-76, and had discussions on that matter with the Chair. It is my view that this is not a bill which is properly before the house at all in that it purports to be a bill to amend a statute while actually it does nothing more than re-enact the same statute. In my view it is nothing more than an abuse of the procedure of this house, but I do not care to go further than that at this time.

Hon. J. W. Pickersgill (Bonavista-Twillingate): On a question of privilege, this house gave first reading to the bill of the hon. member for Burin-Burgeo, and the minister is now clearly criticizing a decision of this house which said this was a bill and that it should be printed as a bill. It seems to me that in those circumstances it becomes a matter for the house and not for the Minister of Justice to decide whether or not this is the kind of measure which would commend itself to the house. The minister has a clear duty under the bill of rights to examine every bill that is presented to this house and to take the action which parliament prescribed he should take, but not to substitute his own opinion for the decision of parliament.

Mr. Fulton: On the question of privilege, it is true that the house gave leave to the hon. member for Burin-Burgeo to introduce a bill. In accordance with ordinary custom the house accepted the explanation of the hon. member, leave to introduce the bill was granted and the bill was read a first time without being examined. May I point out that in my view the explanation given by the hon. member is not borne out by the contents of the bill itself. The explanation given was that it was a bill to—

Mr. Speaker: I am sorry to interrupt the minister, but it does not seem to me that the matter of the bill in question can be dealt with at this time or questioned at this time in this way. The hon. member for Bonavista-Twillingate has made a question of privilege out of what the Minister of Justice said, but as far as the bill itself is concerned it stands on the order paper for second reading, and I would think any discussion of its introduction, or its position, or its legality, if you want to use that word, can only be raised by motion or when the bill comes before the house for second reading.

Mr. Howard: I asked the minister a supplementary question as to whether he had examined Bill No. C-76 in the light of his responsibility under section 3 of the bill of rights and, if so, whether he had found any inconsistency. The hon. gentleman did not answer that question.

Mr. Fulton: I was in the course of doing that when I was interrupted by the hon. member for Bonavista-Twillingate.

Mr. Pickersgill: You had sat down.

Mr. Fulton: I have not concluded my consideration as to the propriety of Bill No. C-76, I imagine that the subject matter which the hon. member for Skeena has in mind will be discussed in the course of proceedings on the bill introduced by the Minister of Fisheries.

Mr. C. W. Carter (Burin-Burgeo): I should like to ask the Minister of Justice on what ground he would state that Bill No. C-76 is not properly before the house.

Mr. Speaker: I am sorry, but I cannot accept that question. I have already stopped the Minister of Justice from discussing that matter. It will come before the house in due course when the bill is called for second reading.

NATIONAL DESIGN

PROVISION FOR ESTABLISHMENT OF COUNCIL

Hon. George H. Hees (Minister of Trade and Commerce) moved the third reading of Bill No. C-85, for the establishment of a national design council.

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

COAL

AMENDMENTS TO AGREEMENT WITH BRAS D'OR COAL COMPANY LIMITED

Hon. Paul Comtois (Minister of Mines and Technical Surveys) moved the third reading of Bill No. C-87, to authorize certain amendments to the agreement made under the Coal Production Assistance Act with the Bras d'Or Coal Company Limited.

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

ARMY BENEVOLENT FUND ACT

AMENDMENTS TO INCREASE RATES OF INTEREST, PROVIDE FOR ADMINISTRATIVE CHANGES, ETC.

Hon. Gordon Churchill (Minister of Veterans Affairs) moved the second reading of Bill No. C-88 to amend the Army Benevolent Fund Act.

He said: I have nothing to add to what I said yesterday on the resolution stage. The bill on examination will be found to contain the three changes I mentioned at that time; the change in interest rate, authority to the board to determine the salary of a secretary, and the striking out of a phrase in the act which the Auditor General considers to be unnecessary.

If the bill is given second reading it is my intention to move that it be referred to the standing committee on veterans affairs.

Mr. H. W. Herridge (Kootenay West): It is unnecessary to say much, but I cannot refrain from expressing the disappointment of members of this group that there is not provision for at least 5 per cent interest on the moneys held by the government on behalf of the army benevolent fund. However, we shall have an opportunity to go into all that when the bill is referred to the committee. That is all I wish to say at this stage.

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

FISHERIES ACT

AMENDMENTS TO EFFECT GENERAL REVISION

Hon. J. A. MacLean (Minister of Fisheries) moved the second reading of Bill No. C-86, an act to amend the Fisheries Act.

He said: Mr. Speaker, in moving the second reading of Bill No. C-86 I should like at the outset to point out that, with the exception of some minor amendments, the last one of which was made in 1949, there have been no major changes in the act since 1932.

The Fisheries Act is the basic statute under which the fisheries of Canada are administered. In the last three decades many new problems in the administration of fisheries have arisen, problems created by the variety of species involved and the geographical distribution of the fisheries, as well as problems arising out of federal-provincial responsibilities for the development of the fisheries and the international character of the sea fisheries adjacent to our extensive coast lines.

During the same period much progress has been made in biological and technological research and the development of new fishing vessels and fishing gear. It has therefore become necessary to amend the basic act under which the fisheries of Canada are administered, so as to bring it into line with present day requirements and practice.

One of the difficult problems arising out of the existing provisions of the act relates to the arbitrary exclusion of Canadian trawlers from the 12 mile coastal zone in the Atlantic coast provinces. This exclusion of fishing vessels using an otter trawl has been part of the law of Canada for more than half a century. During that time fishing by draggers has increased to the point where we now have on the Atlantic coast about 281 small draggers operated by Canadian fishermen and about 75 large draggers, sometimes called trawlers. This method of fishing now accounts for about 40 per cent of our total production of groundfish on the Atlantic seaboard of Canada.

Following world war II the advent in increased numbers of foreign fishing vessels to areas along our coasts, particularly off the coast of Nova Scotia, has created the anomalous situation where foreign trawlers in certain areas fish up to the three mile international limit, whereas Canadian trawlers are not permitted to come closer than 12 miles in the same areas. This 12 mile restriction

applies only in the maritime provinces. It does not apply to Newfoundland where, by virtue of arrangements made at the time of the union of Newfoundland with Canada, the Fisheries Act was amended so as to permit Canadian trawlers to fish up to the three mile limit. It does not apply on the west coast of Canada.

The minister is given authority under the act to exempt small draggers from the 12 mile prohibition. This exemption has been accorded to small draggers 65 feet in length and under for a number of years, and they may fish up to the shore line in all areas with the exception of those where, by regulation, zones have been established within which their operation is banned, subject to the restriction that they will not interfere with the other methods of fishing. The minister has, however, no authority under the existing section of the act to except larger draggers from the 12 mile prohibition.

An amendment to section 55 of the act is therefore proposed which would give the minister the same authority with respect to the larger draggers that he now has with respect to small draggers, but only in areas designated by him between three and 12 miles from the coast of the Atlantic sea coast provinces excepting Newfoundland, where, as I have pointed out, the 12 mile restriction has been reduced to three miles by an amendment in 1949. The proposed amendment would enable the minister to establish zones where fishing by larger draggers would be permitted. The establishment of such zones would be undertaken with due regard to the interests of local fishermen.

Another problem for which a solution must be found, by providing a more flexible regulatory system, refers to the necessity for rapid closures or extensions of fishing times, particularly in the case of the anadromous species such as salmon, the runs of which to spawning streams and lakes are closely watched on a day to day basis and where a set fishing season may have to be closed or extended on short notice. In such instances it becomes virtually impossible to enforce proper conservation measures without giving regional and provincial officials the necessary authority for that purpose. The proposed amendments would empower the governor in council to prescribe this required authority.

Another subject requiring attention relates to the removal of any doubts that the act and any regulations enacted under it apply to Canadian nationals and fishing vessels not only in the territorial waters but also on the high seas. It is trite to say that fish take no cognizance of arbitrary boundary lines, and it is not possible to provide adequate conservation measures in respect to any species that migrate freely in and out of the territorial waters unless fishing activities can be regulated inside as well as beyond the territorial waters either unilaterally, in cases where only Canadian fishermen are involved, or by international agreement where fishermen of other states fish in the high seas for the same stock of fish. One of the proposed amendments to the act would clarify the scope of the application of the act.

In recent times problems of pollution of waters frequented by fish have become accentuated. The sections of the act dealing with pollution need to be strengthened in order to cope effectively with these problems. The proposed amendment would increase the penalties and make provision for giving notice to the public by the governor in council of any substance which may from time to time be found harmful to fish life.

Although in certain respects the powers of regulating under the act are inadequate for present day requirements, in other respects some of the powers contained in the act relating to enforcement of the act go beyond present day requirements. I refer to the judicial powers of fishery officers who are, by virtue of the act, justices of the peace with power to convict on view and to confiscate valuable equipment on view. While these powers may have served a useful purpose many years ago because of the lack of properly constituted courts of criminal jurisdiction in remote and isolated areas, there is little justification today for an officer of the executive branch of government to exercise judicial functions. In fact, by administrative control, these powers were seldom used in recent years.

The act is being accordingly amended to relieve fishery officers of the responsibility of exercising any judicial functions, and to place it in the hands of the courts where it more properly belongs. The enforcement sections have accordingly been rewritten in some detail.

There are other minor amendments proposed in the way of clarification, but they are very minor. Those are the main amendments to which I wish to refer. Therefore, Mr. Speaker, I have nothing more to say at this juncture.

Mr. Carter: Mr. Speaker, I would like to—

Mr. Creaghan: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Has the hon. member leave to speak from the seat he is now occupying?

Mr. Creaghan: That was my point of order, Mr. Speaker. I felt the hon. member should be occupying his own seat.

Mr. Speaker: I am afraid the hon. member must speak from his own seat in accordance with the rules, which require him to rise in his own place.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, on the second reading of any bill we are concerned with the principle of the legislation, and our rules prevent us from discussing clauses in any detail. From what the minister said yesterday, or even from what he said this morning, it is very difficult to determine just what principles are involved in the amendments this bill proposes to make to the Fisheries Act.

In explaining the purposes of the bill yesterday the minister said it was a general revision and that:

> Among other things, it removes the power of a fisheries officer to act as a justice of the peace. It will amend the section which categorically prohibits certain Canadian fishing vessels from fishing within the first nine miles of the high seas adjacent to Canadian territorial waters in the maritime provinces. It extends the application of the act to the high seas as far as Canadian vessels are concerned. It repeals certain sections that no longer have any practical application.

This explanation is to be found at page 4137 of yesterday's *Hansard*. Judging from what I have just read from the minister's statement yesterday and what he said this morning, I would say it appears that the principles involved in this bill are twofold. First, as the minister said, the idea is to bring the act up to date so it can be made more applicable to the situations with which we have to deal at the present time. In this connection the minister pointed out that, apart from the amendment in 1949, there have been no major amendments to this legislation since 1932. If the minister had gone back a little further I think he would have discovered that perhaps there had not been any major amendments right back to 1867.

I might say, sir, that we are all in accord with the purposes which the minister has outlined to us today. It seems there is also a second principle involved in this amendment, namely to bring the Fisheries Act in line with the bill of rights. After all, we had no bill of rights when the first Fisheries Act was passed by parliament, and neither was there any bill of rights when the previous amendments were made. Today we have a new situation in that we have a bill of rights which was to have an impact on all future legislation, and consequently should have an impact on this bill.

Mr. Fulton: It has.

Mr. Carter: I hear the Minister of Justice say "It has". I welcome that remark, as I welcome this particular bill because the minister and the house know that on March 22, I think it was, I introduced a bill which was designed to achieve the second principle I have just mentioned, namely to revise the Fisheries Act and bring it into conformity with the bill of rights.

As I look through the bill I am very pleased to note that the sections which I had in mind and which I outlined in the explanation I gave to the house on that occasion, namely sections 19(1), 35, 51(1b), 64 and 75 have all been taken care of in this bill which we are now discussing.

This morning I was interested in the question asked of the Minister of Justice by the hon. member for Skeena about the reports that the minister is obliged to make, in accordance with standing order 40, on bills which are introduced in the house. If I understood the minister aright he indicated that he had done his duty in this regard. I take it that should mean that the report he made on this legislation should be available. Yesterday I asked the Clerk if he could let me see the reports, and he replied that they were not available at that time.

I am still not sure, in spite of what the minister said, that this bill entirely conforms with the bill of rights. I notice that it still retains one practice which I regarded as inimical to individual rights and to which I am personally opposed. The practice to which I refer is that of seizure and forfeiture of ships and property. I cannot bring myself to believe that offences committed under the Fisheries Act should be treated differently from offences committed under any other act of parliament. Under most acts of parliament which prescribe penalties for offences, the penalties consist mainly of fines and imprisonment. I think that is fair and just because we prescribe exactly the same treatment for every offender under exactly the same circumstances. But when we introduce this practice of seizing property and causing the offender to forfeit the property we are departing from the principle of equity, of fitting the punishment to the crime and of treating every offender in the same way. In many instances, and particularly in my own riding, the property is the means of a person's livelihood. Certainly under the bill of rights a person has a right to live. I think that is the most fundamental right any human being has and one that we will maintain at all costs. When you deprive a person of his livelihood, or of his means of livelihood, you deprive him of his life in theory and in some instances in fact.

Mr. Drysdale: He can get another job.

Mr. Carter: It is not a case of getting another job. The merits of the case depend upon the circumstances which surround it. Even though a person may not be deprived of

his livelihood there is still an inequity which is foreign to my concept of justice, because the property which might be forfeited by one person will have no relationship to the property which might be forfeit by another offender under exactly the same circumstances.

I hoped the report of the Minister of Justice would have something to say on this matter. It was for that reason I was so interested in getting the minister's report before introducing amendments which, under other circumstances, I hoped would have been made to my own bill as it passed through the house.

We readily admit that some steps must be taken to prevent unfair or undue violations of our fisheries rights, and to protect and conserve our fisheries resources. However, when an offender has only one boat and you take that away from him, you place him in a very different position from that of a big operator who may have a number of boats so that the loss of one particular boat does not affect his livelihood to any appreciable extent. The same principle is true in respect of fishing gear and nets.

This is particularly appropriate to my own constituency, where approximately 90 per cent of the fishermen are engaged in the shore fishery, either by hook and line or by net. The boats they have are small, under 40 feet in length, and if nets are used they are vital to the way these fishermen prosecute the fishery. Perhaps some fisherman may have three or four nets, but even if only one of these is confiscated that man's means of livelihood is certainly imperilled.

I regard the retention of the right to seize and cause an offender to forfeit his property as a sort of hangover from the middle ages, and something which certainly—

Mr. Browne (St. John's West): A Liberal government.

Mr. Carter: I am not interested in who put it there or who left it there. I am only interested in removing what I regard as an injustice, not only an injustice but an inequity. Certainly if the bill of rights has done any one thing above another it has been to focus our attention on our rights. We are now more concerned about them. After all, it was this government that took great pride in producing this bill of rights. A lot of fanfare was made about it. We had every right to expect that if things were going to be corrected, then they would be corrected in the legislation introduced by this government. I am personally surprised that the Minister of Justice would put his stamp of approval on this kind of practice.

The minister referred to another amendment which I believe will receive general acclaim. If there was any one thing that infringed a person's rights it was the power of the fisheries officer to act as judge, jury and lord high executioner, all in one. We are glad to see that the power which made a fisheries officer a justice of the peace has now been removed. I think everyone will rejoice at that development. Under the old act, Mr. Speaker, a fisheries officer did not need to have evidence that there had been an offence. All he needed was a suspicion or a thought in his mind, and he could proceed to confiscate a fisherman's property.

Mr. Morris: That was Liberal legislation.

Mr. Carter: I am not interested in whose legislation it was. My hon. friend is not making any contribution to the debate by sitting in his seat and making these irrelevant remarks. If he wants to get up and join in the debate he will have plenty of time later on.

I was about to say, Mr. Speaker, that within the last two weeks I have had a case brought to my attention which was prosecuted under this old act that is still in force and will remain in force until this bill is passed and receives royal assent. I received a letter from a fisherman who had set out nets to catch bait for his lobster traps. Unless he can get this bait he cannot engage in the lobster fisheries. My hon. friend the Solicitor General (Mr. Browne), will perhaps be surprised to learn that the gentleman was one of his constituents.

Mr. Browne (St. John's West): It sounds familiar.

Mr. Carter: Yes. This person set nets in Placentia gut, where he claims he has a right to set them. He claims he was not infringing any boundary and, in any case, there were no marks on either side of the bank to indicate where the boundaries were. He set those nets in what he claims were legal waters. However, the fisheries officer came along and confiscated them. Now the fisherman is left without any means of acquiring bait and no means of prosecuting his livelihood.

I have written a letter to the minister about this. I know he has not had time to receive it because I did not get it typed soon enough. The letter is in the mail, and I hope the minister will take prompt action to have the fisheries officer restore these nets to the owner, because it is a very serious matter to him. He told me in his letter that he was heartbroken. He is a poor man and now he has no chance at all to earn his livelihood.

These things are very serious. When an act like that can be carried out on the initiative of one person, without evidence being

required, I think that is something that should never have been permitted in the first place, and I am glad to see the power to do so is being removed under this bill. I hope the minister will not wait until this legislation receives royal assent before he takes action to have the spirit of this legislation and the spirit of the bill of rights enforced in this particular case.

The bill itself empowers the government to make regulations for the proper management and control of sea coast and inland fisheries. It is a great disappointment to me to have to point out to the minister that this bill will not take care of the most serious hazards to our Newfoundland fisheries. In my own particular riding, and this is true in practically every coastal riding of the province, the fishing grounds are located outside the three mile limit, from three miles to 12 miles offshore. Any bill which confines the authority of the government to within three miles of land is not going to deal with the most serious problem we have to face in my province.

The greatest threat to the Newfoundland fisheries, particularly in my own riding, comes from foreign draggers. Last winter the foreign draggers were particularly active. On one occasion for at least two weeks they prevented the fishermen in my riding from prosecuting the fishery at all. They could not prosecute the fishery because, as I said earlier, these fishermen use very small boats about 40 feet in length or under, and they dare not go out on the fishing grounds because of the danger of being run down by these numerous foreign draggers. The same thing is true with respect to their gear. They dare not set their gear because of the danger of having it destroyed by the operation of these draggers. Of course they cannot afford to take the risk. If they once lost their gear they would have no means of replacing it, and their livelihood would be imperilled.

On one occasion it was found that one of these draggers—it was a Spanish dragger named the *Santa Amalia*—was actually violating the three mile limit. Statements were made to that effect. Affidavits were made by at least two fishermen who took radar bearings on this ship. This particular ship destroyed approximately $350 of gear belonging to one of the fishermen in my riding. We have no recourse. Therefore unless we do something about the 12 mile limit this bill is not going to have very much effect as far as the protection of the coastal fisheries of Newfoundland is concerned.

I know this bill does not define territorial waters. However, the minister and his colleagues must do something about this problem. The patience of our fishermen is wearing very thin, and the time is going to come before too long when they are going to take the law into their own hands. It would have happened this winter; if they had had the weapons with which to drive these draggers off they would have taken offensive action against them.

Another flaw in the enforcement of this legislation which the minister has put before the house is that we have not the means of enforcing it. We have not sufficient patrol boats to see that even our territorial waters are not violated. The patrol boats we have are small ships 65 feet or 100 feet in length, and they are too small to be out in rough weather. They are all right for rescue work, which they do, and they perform a very good service in that respect; but when it comes to chasing away these foreign draggers they are not at all equal to the task.

Here I want to express my thanks to the minister for all he did this winter in trying to help find a solution to this problem. He sent the *Cygnet* from Halifax, and at one time he was good enough to work out a plan whereby we had naval ships patrolling these waters. We also had an aerial survey by the Royal Canadian Air Force. However, we must have more and bigger ships if we are going to protect our Newfoundland fisheries. We need about five times as many patrol ships as we have at the present time, and we need ships that are about five times as big.

There is really only one solution to this threat from foreign draggers, and that is to extend our territorial waters out to the 12-mile limit. The minister told us this morning that one section of this act, I think it is section 55, will remove a handicap under which Canadian trawlers now suffer in that Canadian draggers are obliged to fish outside the 12 mile limit while foreign draggers can fish in to the three mile limit. We have no objection to that; we do not want to see our Canadian fishermen deprived of rights which we accord to foreign fishermen. However, it would be better for all concerned if this limit were pushed out to 12 miles offshore, and not only 12 miles following the contour of the coast but 12 miles from headland to headland. We nearly achieved it at the conference at Geneva a year ago; there was only one dissenting vote. But there is no reason why the minister and the government should not work out a convention with those nations which are agreeable to that arrangement of six miles of territorial waters and a further six miles for conservation of fisheries.

We must impress upon the foreign draggers that we mean business in this regard. If we cannot work out a proper agreement

with other nations which should be interested in this problem, the only thing left for us to do is to take unilateral action. I think the government should make it clear that we intend to do that and that we intend to stop pussyfooting in this matter of having foreign draggers encroach and deprive our own fishermen of their livehood.

The other criticism I have to make about this legislation in so far as protection of the fisheries is concerned is that it is designed to protect the fisheries against the little man but that there is in it no means or no machinery to protect them from the big operator. We feel that steps should be taken to deter the big commercial operator. However, the small man—the single man, the inshore fisherman—is the one who is going to be picked up under this legislation. He is the one who is going to have his nets confiscated when some fisheries officer gets the idea that he is going to commit an offence.

I want to conclude by making a special plea to the minister to insert somewhere in this act, or in the regulations that are permissible under this act, some provision whereby we can take steps to protect or to exempt from confiscation the property of the lone fisherman, the person who has only one boat and only three or four nets, particularly the person who is obliged to set nets to get bait. I think some exemptions are provided in this act in the case of lobster fishermen. I would ask the minister to give the same protection to the little man and in particular to those fishermen whose nets must be set in order to assure a supply of bait.

I think I have said everything that need be said at this time, Mr. Speaker. When we come to clause by clause consideration of this bill I will make other suggestions.

Mr. Frank Howard (Skeena): Mr. Speaker, I have the habit of moving out into the aisle here, but in view of the comments made and the ruling given a while ago I think I had better be a little careful to stay in my particular place, in case an hon. member raises a point of order about it.

The hon. member for Burin-Burgeo made an observation with respect to the relationship between this particular bill and the function of the Minister of Justice in studying it to see whether or not it was inconsistent with the bill of rights. The hon. member said he had checked with the Clerk of the house yesterday to see whether or not a certificate had been deposited with the Clerk as required by the regulations, as I understand them. A few moments ago I again checked with the Clerk, and no such certificate has yet been filed. I see the minister waving a document in the air. I assume that is the certificate to which I have been referring.

I only mention this matter as an aside, Mr. Speaker, because it seems to me that even though the Minister of Justice did say, in answer to a question of mine, that he found no inconsistencies in the bill, it is not a wise practice to proceed with the second reading of a bill before this certificate is filed with the Clerk. I should say that in as much as the Minister of Justice is in reality giving a legal opinion—which I understand he is not competent to do in so far as his capacity as minister is concerned, but nevertheless that is what he has done—when he says that a particular bill is or is not inconsistent with the provisions of the bill of rights. I think hon. members of this house are entitled to agree or disagree with that opinion.

I intend to disagree with the opinion of the minister when he says this particular bill is not inconsistent with the bill of rights. I also feel that the minister should have acted with a little more speed in considering Bill No. C-76 and whether or not it was inconsistent with the bill of rights.

Mr. Speaker: Order. That bill does not arise in this debate.

Mr. Howard: Yes, Mr. Speaker, but I am leading up to the point that I think the very fact that we have Bill No. C-86 before us in the name of the Minister of Fisheries is proof, if ever it were needed, that the present Fisheries Act is inconsistent with the bill of rights. In fact the bill introduced by the hon. member for Burin-Burgeo is also inconsistent with the bill of rights.

I recall that during consideration of the estimates of the Department of Fisheries last session I raised this question and quoted certain sections of the Fisheries Act. I asked whether the officials of the department had looked at those sections from the point of view of their inconsistency with the bill of rights. The minister indicated that this would be done.

I notice that one of the sections which I quoted is now being repealed. The reason given is that the department does not want a fisheries officer to be a justice of the peace and able to marry people. However, I submit that the real reason is its inconsistency with the bill of rights.

I should like to congratulate the hon. member for Burin-Burgeo as heartily and as warmly as I can for having introduced a bill which prompted the Minister of Fisheries to introduce the bill currently before the house. I offer these congratulations openly and sincerely to the hon. member. It is not like the Liberal party to show such courage,

but perhaps the hon. member for Burin-Burgeo is an exception to the general Liberal party attitudes that we see and hear from time to time.

Part of the bill seeks to remove the arbitrary powers of fisheries officers to confiscate property, convict on view, or arrest and detain fishermen or persons suspected of operating contrary to the act. It also prevents, as I said, fisheries officers from marrying people in the future. I am sure this function has never been performed by any of these officers, and perhaps they did not relish performing it.

To the extent that this bill seeks to remove these arbitrary and dictatorial powers of arrest, conviction and detention on the part of fisheries officers and others, we think it is very commendable and support it wholeheartedly, because in this respect it is based upon the rights and freedoms of individuals. However, there is another inconsistency in the bill. This inconsistency is also being left in the act, and I think it should also be dealt with in the concept of the rights and freedoms of individuals.

This question is connected with our general concept of freedoms and, as I understand it, the teachings of law schools. I refer to the concept of British justice, to the extent that an individual is presumed innocent until he has been proven guilty. This bill is contrary to that principle in one or two instances, inasmuch as an individual is presumed guilty and must prove his innocence.

Mr. Speaker, may I call it one o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Howard: At the hour of the adjournment, at one o'clock, I had reached a certain stage of discussion on one phase of the legislation before us.

Before I proceed along that line I should like very much to know from the Minister of Justice, who has more than a passing interest in this particular bill, at what time it was today—I presume it would have been today—that he received two copies of the bill before us from the Clerk of the House of Commons in order that he might proceed to examine the bill. I have in my hand the regulations made pursuant to the bill of rights—

Mr. Speaker: Order. I question whether the hon. member is debating the subject at issue in dealing with the reference of any bill, including this one, to the Minister of Justice pursuant to the bill of rights. That procedure does not arise in this debate. This debate has to do with the principle of this bill on second reading.

Mr. Howard: That is correct, Mr. Speaker. Perhaps I can explain what I was seeking to do. You will recall that before the adjournment I had mentioned that the minister's examination and report upon this bill was in fact a legal opinion as to whether or not it was consistent with the bill of rights. I am trying to ascertain now how the minister could have reached such a legal interpretation with respect to this particular bill in the very short time that must have been at his disposal before I asked him a question about the matter on the orders of the day.

Mr. Speaker: That is really not in issue. The hon. member is entitled to discuss whether or not the principle of the bill is, in his opinion, in conflict with the provisions of the bill of rights, but there is no machinery by which he can at this time make the inquiry he wishes to make from the Minister of Justice. Furthermore, the procedure of reference to the Minister of Justice is not relevant to the present debate, in my view.

Mr. Howard: I shall certainly bow to your wishes in that regard.

Mr. Speaker: I do not say the hon. member could not use the opinion of the Minister of Justice, if he had it; but how it was reached is not, in my opinion, relevant.

Mr. Howard: I do not intend to proceed along those lines if, as you say, it would be out of order to do so. But with respect to this bill being consistent or inconsistent with the provisions of the bill of rights, I submit that the opinion of the minister is invalid in view of the fact that he has not had time to study this particular bill. Perhaps the arguments of any other member seeking to show that there are inconsistencies in the bill would have more validity than the opinion of the minister, because other members are not bound by the regulation which orders the Minister of Justice to do certain things.

I should like now to proceed to the contention that there are at least two provisions in this legislation which are completely contrary to what I have always understood to be the basic principle of British justice which states that a person is presumed innocent until proven guilty by the courts. There are two references in this legislation which in fact say just the opposite, namely that a person is presumed to be guilty and must prove his innocence. Looking at the act as it is at the present time one finds in section

55, in subsection 3 and again in subsection 6, that the burden of proof of innocence rests upon the person who is accused.

Surely we should not expect a motion for approval of legislation of this sort from a government which lauded itself so highly and which was commended so highly on having introduced a piece of legislation such as the bill of rights. This is certainly in my opinion inconsistent with the declarations which the Prime Minister and members of his cabinet have made on so many occasions about the rights and freedom of individuals. Surely it is the undeniable right of an individual who is charged with an offence to have the crown prove that he is guilty. I know of no other instance, although I am relatively unfamiliar with the field of law, where the contrary occurs, and I have spoken on this matter with a couple of members of the legal profession.

We are aware, of course, of instances where the actions of this government and its words have not been consistent. For example, the amendments to the Combines Investigation Act presented in 1959 were an example of a presumption of guilt being attributed to an individual charged with an offence.

These particular sections in the legislation should, I think, be altered. They should be removed from the act. The crown should be obliged to prove a person guilty under this legislation in the same way as under other statutes.

Part of this bill deals with the so-called 12 mile limit or three mile limit placed on territorial waters. One of the proposals of this bill is to authorize the governor in council to exempt certain classes of fishing vessels from the prohibition. The act now states that on the Atlantic coast most vessels must fish outside the 12 mile limit. It is suggested now that they will be allowed to fish within the 12 mile limit but not closer than the three mile limit. This change will allow, at the minister's discretion, Canadian and foreign fishing vessels to operate in to the three mile limit and will remove that unfair provision of the law which has been in existence in respect of the Atlantic coast for many years.

I think this is the wrong approach to the problem. I do so in the light of information received from officials of the minister's department and other individuals, with knowledge of this subject, from the Atlantic provinces. Much more damage will be done as a result of allowing certain types of fishing vessels to operate in to the three mile limit in so far as conservation is concerned. If it is desirable to follow principles of conservation in respect of our fisheries, then it would be more acceptable for this government to take action to establish a 12 mile territorial limit rather than by taking this negative approach.

I suggest there have been ample international discussions and conferences regarding the extension of territorial waters. The latest conference in this regard with which I am familiar was initiated by a proposal put forward by Canada and supported by a number of other western nations, which was defeated by one vote. If that nation had voted for the proposal there would now be agreement in regard to this question. To my knowledge nothing definite has occurred since that time in regard to the extension of territorial waters.

While I can appreciate that the officials of this government are extremely sensitive to the opinions of other nations in regard to so-called historical fishing rights, this country should follow the example set by Iceland and establish a unilateral 12 mile limit. The establishment of such a limit would allow this government to cope much more adequately with fishing problems than by the proposal put forward by the minister today.

Mr. Morris: Mr. Speaker, would the hon. gentleman permit a question?

Mr. Howard: Mr. Speaker, I will be glad to answer any questions when I have completed my remarks, providing of course there is sufficient time at my disposal.

I also suggest that the proposal contained in this bill in respect of the seizure of fishing vessels, fishing gear, fishing equipment and appliances is not consistent with our desire to allow individuals the right to earn a living. This power if granted to fishery officers will interfere with the right of individuals to follow the vocations of their choice. It must be remembered that it is not a requirement under the law that a conviction be entered against an individual before the fishery officer can make such seizures. These seizures are done purely and simply on the ground that a fishery officer has reasonable grounds to believe and does believe that certain things have taken place. It is easy to imagine a vessel operating close to the zone limit and viewed from some distance by a fishery officer who, being perhaps zealous in carrying out his duties, would believe there was a contravention of the act and, in consequence, seize the vessel and the equipment. The possibility of this type of thing happening is certainly inconsistent with our desire to protect the rights of these individuals.

Perhaps I can make a comparison to illustrate my point. If a police officer had reasonable grounds to believe that a taxi driver was in fact selling liquor without having a licence to do so—in effect bootlegging—the police officer could not seize the taxi and its contents until such time as he had laid a charge and the individual had

been convicted. Following that, of course, the liquor would be confiscated and other penalties imposed. I do not see why it is necessary to have such arbitrary powers in respect of the Fisheries Act placed in the hands of the enforcing officers.

Mr. Speaker, in view of the suggestions I have made I feel that certain amendments must be proposed when we reach the committee stage, making the bill consistent with our desire to protect the rights of the individual. While the provisions proposed in this bill are in themselves commendable, there are many inadequacies such as the one I have just mentioned. I feel we must solve the problem in respect of territorial waters as well as perhaps others before we can be satisfied with this legislation. Having accomplished those changes we will then have an act which will be, in the fullest possible sense, compatible with the rights and freedom expressed in the bill of rights itself.

Mr. Morris: Mr. Speaker, the hon. gentleman was kind enough to indicate that he would endeavour to answer any questions put if permissible under the rules. In regard to his remark that territorial limits should be unilaterally established, I would ask him how he would propose to enforce this limit upon nationals of another country not subject to Canadian domestic law. In the case of Iceland, for instance, we are aware of what took place there and the reaction of the nationals of another power. This question is not an antagonistic one, but I should like to know how the group to which he belongs would go about enforcing this limit.

Mr. Howard: Mr. Speaker, there have been attempts made over a number of years to reach agreement in this regard. There has been a compromise reached with the United States in regard to the 6-6 formula, but presumably there is no further possibility of reaching a more adequate agreement. I do not know what this government has done to explore the possibilities of reaching agreement with other countries in regard to this particular question. If such unilateral action were taken I would suggest that we must use adequate methods to protect the interests of our fishermen in this regard. If we encounter difficulties with other nations we must deal with them in the best possible way available to us. If we do not follow this course then we are making laws in this nation at the behest of those interested in Washington, and we have been doing that far too often.

Mr. Pearson: The Russians have a 12 mile limit.

Mr. Morris: Mr. Speaker, to be specific, if a Russian trawler entered the area which we closed, would the hon. gentleman recommend unilateral action such as the use of gunboats?

Mr. Howard: Mr. Speaker, I think the hon. member is trying to start a war with another nation.

Mr. Morris: I am not the one trying to start a war.

Mr. Pearson: How do the Russians enforce their limit?

Mr. Howard: Mr. Speaker, I suggest it is unreasonable to pose a hypothetical question of this nature with the expectation of receiving a definitive answer. I think the answers given by the Prime Minister in the past in respect of similar questions would apply. That is in the light of the circumstances, and taking into account all of the factors which exist at the time, we must ensure that our rights are protected.

Mr. L. R. Crouse (Queens-Lunenburg): The statement made today by the Minister of Fisheries with regard to the amendments that are to be made to the Fisheries Act by Bill No. C-86 will be most welcome to all fishermen on the east coast, and especially to those engaged in deep-sea trawler operations. While there are a number of amendments in this bill, I should like to speak briefly on the 12 mile limit, for in recent years it has become somewhat of a symbol of discrimination by governments against Canada's deep sea fishermen. If all the resolutions passed with regard to this act, and all the speeches that have been made, were placed end to end they would no doubt reach from the Atlantic to the Pacific, for there has been widespread interest in this regulation.

At the recent meeting of the Fisheries Council of Canada, held in Toronto on April 10-12, the following resolution was passed:

> Whereas Canadian east coast fishing trawlers over 65 feet in length are required by Canadian law to fish outside the 12 mile limit off the mainland east coast, while all foreign fishing boats of any length are permitted to fish within three miles of the Canadian east coast mainland; and
>
> Whereas such regulation discriminates against Canadian fishermen;
>
> Therefore be it resolved that the Canadian government be urged to repeal this law at the earliest possible date and give Canadian fishermen the same privileges and fishing rights as are enjoyed by all foreign fishermen.

The wording of this resolution parallels some of the speeches I have made in this house with regard to this problem, and now that the law is to be amended I think it only fitting that the original reasons for this regulation be placed on the record. The best source of information I could find on this subject was the report of the royal commission investigating the fisheries of the maritime provinces and the Magdalen islands, as filed

at Ottawa on May 4, 1928. This is a comprehensive report on all the fisheries problems in the east coast area, but a particular section deals entirely with deep-sea trawlers and their effect on the ground fishing industry.

As most hon. members are aware, a trawler tows a large net or bag about 150 feet in length along the bottom of the sea. The mouth of this huge net is kept open by boards or doors called otter boards, rigged so they operate like kites. Once these trawlers reach the fishing grounds the fishing operation is continuous for at least six or eight days, when the ship returns to port. The net scoops up practically everything on the bottom, from a scallop to a 3,000 pound anchor, along with any fish that may be available; and the immature fish, or those unsuitable for processing and marketing, are thrown back into the sea.

From this brief outline hon. members can readily see that trawler fishing is more wasteful of the fisheries resources than the hook and line method, and it was for this reason that a large number of hook and line fishermen around the turn of the century raised strong objections to the operations of trawlers on the fishing banks.

According to the royal commission report there was only one trawler operating out of Nova Scotia ports in 1910, and between this date and 1927 the number increased to only 10. However, since these trawlers began to operate and dispose of their catch in Canadian markets they have been the subject of keen controversy in the maritime provinces. Their chief opponents were the shore and schooner fishermen who used the hook and trawl line method of catching fish. They argued that the trawlers towing their nets over the bottom destroyed the spawn of the cod and haddock; that they destroyed the feeding grounds of the fish; that they took large quantities of immature and unmarketable fish, causing the inevitable depletion of the fishing grounds; that they destroyed the trawl lines of the fishermen without making restitution; that they market an inferior product, and that they are responsible for over production and consequent glutting of the market, thus preventing the hook and line fishermen from disposing of their catch.

So strong was the protest that on September 9, 1908—and I am quoting from the royal commission report—an order in council was passed providing that "the use or operation of trawlers for the purpose of catching fish is prohibited within the three mile limit of the bays and harbours of Canada". This was obviously an admission that some trawling was injuring the shore fisheries and that it required regulation and restriction. However, no changes were made. Protests continued unabated, and on February 5, 1912, with only two trawlers operating from Nova Scotia ports, the minister of marine and fisheries said in the House of Commons:

> It is realized that if many steam trawlers are shortly placed in commission on Canadian coasts the hand trawls and long line fishermen will find it hard to compete, and anything that the government can do to protect them, it is anxious to do.

In the meantime protest meetings of fishermen were held in various places, notably in Canso, Lunenburg and Riverport, in Nova Scotia. From a meeting of the deep-sea hook and line fishermen held at Lunenburg on February 9, 1912, a delegation was sent to Ottawa to interview the federal government, with a petition asking that steam trawlers be prohibited from landing their fish in Canada and from obtaining Canadian coal and supplies. Well, that type of resolution would not go down too well today in view of the agitation from Cape Breton to sell more of our coal. However, during the session of 1912, the legislative assembly of Nova Scotia endorsed a resolution to the federal government strongly opposing the operation of trawlers on our east coast. The recommendation made on behalf of the fishermen of Riverport, Nova Scotia, was for prohibition or curtailment of otter trawling, and that a duty be enforced on all fish landed from trawlers of other than Canadian registry.

During the early summer of 1912 a conference was held in Washington attended by representatives of the United States, by the Canadian minister of marine and fisheries and by the prime minister of Newfoundland, as he was then called, with a view to investigating the whole question of steam trawlers and making observations on the results of their operations. After negotiation it was arranged that during the season of 1912 investigations would be carried out by each country independently, with the understanding that upon completion of the work a conference would be held with a view to reaching an agreement for the entire prohibition of trawling on this side of the Atlantic. Meanwhile the war had started, and it was decided to postpone the project and the international conference until the end of the war, but the proposed conference was not held.

In the meantime, in order to protect the hook and trawl line fishermen, the Canadian government in 1915 enacted a regulation under the Customs Act whereby the master of any steam trawler was required, before being granted a clearance for the fishing grounds, to give the customs officer a declaration that he would not fish within 12 miles from the shore. This regulation was to apply

to all steam trawlers clearing from a Canadian port on the Atlantic coast. This is the history of the 12 mile limit, and it has been applied since 1915 to the present day.

In fairness to the hook and line fishermen, the objections they raised were valid in their day. They were interested in the conservation of the fisheries. They were concerned with the loss and destruction of their property when trawlers, by day and by night, towed through their trawl lines and destroyed their fishing equipment. They were vitally interested in the serious economic consequences caused by the overproduction of fish by the trawler fishermen and the resultant glut on the market.

Today, however, the situation is considerably changed. The hook and line fisherman setting trawl lines from a dory is almost extinct. The once proud fleet of Bluenose vessels that numbered over 120 at one time out of the port of Lunenburg has now dwindled to a handful. They have been replaced by diesel powered trawlers ranging in size from 65 to 140 feet; by the long-liner which still catches fish on hooks by the use of a long trawl line set astern of the ship; by the gill net fishermen and the Danish seiner. The inshore fisherman is today using at least one of the types of boats I have mentioned, or he may be operating a deep-sea scallop dragger on George's bank, a type of fishing unthought of in 1915. In any event, it is rather ironic that the same areas which made strong representations in 1912 to impose the 12 mile limit on trawlers have been making equally strong representations to this government and to me since I was first elected in 1957 to remove this unfair and restrictive law.

This morning, I listened with interest to the remarks that were made by the hon. member for Burin-Burgeo. He complained about the confining sections of this bill. He said foreign draggers still pose the greatest threat to his inshore fishermen, and mentioned a Spanish trawler in particular. He said the minister and his colleagues must do something about these international trawlers, especially those operating along the coast of Newfoundland.

But I ask, Mr. Speaker, what does he propose? This problem, as I mentioned, has been in existence since the year 1900, when the first trawlers started operating on the east coast. All during the years his party was in office no action was taken. In my opinion, control of these foreign trawlers becomes an international problem. The hon. member further suggested that we extend our territorial waters by unilateral action to the 12 mile limit. This suggestion was supported this afternoon by the hon. member for Skeena.

[Mr. Crouse.]

The statements made by both these hon. members show a remarkable lack of knowledge with regard to our fish marketing problem. I submit that unilateral action of this nature would cause serious repercussions in Canada's export markets, especially in the United States where approximately 80 per cent of our east coast fish production is sold. The New England fisheries association would quickly propose higher tariffs on our fish entering the United States, thereby creating further economic problems for the Atlantic provinces.

We on the east coast, Mr. Speaker, have suffered for 22 years because of this type of Liberal thinking. In my opinion any action taken to extend the east coast fishing limits must be by international agreement. The changes made in the Fisheries Act are a move in the right direction. I know it will meet with genuine approval of the trawler captains operating trawlers on the east coast. I again commend the minister for his foresight in providing Canadian deep-sea fishermen with opportunities equal to those enjoyed by fishermen from other nations.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the bill before us to amend the Fisheries Act has some provisions which I think will receive unanimous support in the house and others that will cause questioning. There are some omissions from the bill as well to which the attention of the house, I have no doubt, will be called. Certainly some amendment to the Fisheries Act is overdue. I understand there are some provisions in the present act which have not been changed since 1867, and conditions have changed somewhat since that time.

The bill we have before us was not one mentioned in the speech from the throne as something which was going to be introduced this session. It was not even mentioned last week when the Prime Minister gave the list of legislation which would be brought before the house this session. Perhaps the introduction of the bill at this time can be related to the constructive initiative of the hon. member for Burin-Burgeo, who introduced a private bill amending the Fisheries Act. Shortly after that, Mr. Speaker, this bill was introduced.

The bill, among other things, does remove some arbitrary powers which are now vested in officials under the act, and that is all to the good. But, as has already been pointed out in this discussion on second reading, the bill does not, in our opinion, go far enough in that respect to establish beyond doubt the principle of innocence until guilt is

proven. However, it does help to bring the existing act into conformity with the bill of rights.

There is one aspect of this bill to which reference has already been made and with which I wish to deal at this time. That is the question of territorial and jurisdictional waters. The bill has some provisions in that regard. It does remove the discrimination now suffered by Canadian draggers as compared with foreign vessels, and that is an improvement. In our view, however, the amendment should have gone further and established a 12 mile zone of jurisdiction enforceable against all vessels, Canadian or foreign.

The hon. member who just preceded me has indicated that this would be a very dangerous course of action to take unilaterally. He was very worried about the repercussions that action of that kind taken by Canada might cause in the United States, and the effect that such action might have on our market for fish in that country, the importance of which of course is recognized by all of us.

The hon. member criticized the Liberal approach to this problem of markets, the approach which I have also just indicated to the establishment of a 12 mile jurisdictional zone. If it had not been for the Liberal approach, implemented by legislation based on international treaty with the United States in 1936, there would not be the present market for Canadian fish in the United States. But the caution displayed by the government in this matter of taking national action to establish a jurisdictional zone, this timidity, if I may put it in that way—certainly was not displayed by the Prime Minister and the members of the present government when they discussed this subject in 1957 and 1958 during the election campaigns. At that time they were all for Canadian action to protect Canadian fisheries interests by the establishment by Canada of a 12 mile fishery zone. I only quote one excerpt from a report—and there are a good many others—of a speech of the Prime Minister on March 26, 1958, appearing in the Halifax *Chronicle-Herald,* when he declared for aid to fishermen and for protection of the rights of Canadian fishermen by a 12 mile limit to be established for all fisheries. That, Mr. Speaker, is what we are asking for now. That is the stand we are taking and have taken as a party since 1957 in respect of this matter.

There are three ways by which Canadian rights over a jurisdictional zone wider than that of the territorial waters zone could be established. In this respect we must, of course, make a distinction between the zone of territorial waters and a jurisdictional zone. Up to the present time we have accepted a three mile territorial zone established on the base line theory, the line from headland to headland, but we believe that beyond the territorial zone, whatever may be its agreed width—and we accept at the present time three miles—there should be a jurisdictional zone especially for fisheries protection and fisheries conservation purposes.

As I have just stated, there are three ways by which this might be done. The first and by far the most satisfactory way of doing it is by international agreement through an international convention. We all know that in recent years efforts have been made at international conferences under United Nations auspices dealing with the law of the sea to get general international agreement on the width of the territorial belt and also of the jurisdictional zone. The present government some time ago—I think it was at the beginning of 1960 or the end of 1959—issued a pamphlet on the law of the sea which explained in detail a Canadian proposal which had been put forward at the Geneva conference for this purpose. That Canadian proposal came to be known as the six plus six theory, and provided for a six mile territorial zone to which would be added a six mile jurisdictional zone, making a belt of 12 miles from the base line over which Canadian law could be exercised. Indeed, that Canadian solution—it really is in effect a 12 mile solution—was put forward, as this pamphlet indicates, as early as the eleventh session of the United Nations general assembly in 1956.

No agreement was reached at the first conference at Geneva with regard to the establishment of any international law of the sea. At the second conference held last year—I think it was in March and April, 1960—a further and very strenuous effort was made to get an acceptable international agreement on this extremely important matter. At that conference, as hon. members know, eventually four proposals were put forward, one by the U.S.S.R., one by Mexico, one by the United States of America and one by Canada. The Mexican and Soviet union proposals were dropped and were replaced, I believe, by an 18-power proposal, while the United States and Canada got together on a compromise one because the difference between their two proposals was not very substantial. The Americans at this time were not objecting, as I understand it, to the 12 mile jurisdictional zone or fisheries control zone, but they attempted to insist that historic fisheries rights or traditional fisheries rights be observed inside that 12 mile zone by the power which had jurisdiction over that zone, and that rights of foreign countries which had

established them over the years should be respected. The compromise which was reached between the United States and Canada with regard to this matter was a 12 mile zone and a 10-year period, I think it was, during which these traditional rights would be respected and during which period—in the words of the Secretary of State for External Affairs when he made a statement on this matter, I think it was last summer—they would be phased out.

This was a very serious effort to get international agreement with regard to this important matter. Unfortunately agreement was not achieved, as my hon. friends know. While a simple majority is sufficient in committee, a two thirds majority is required in plenary session. According to the report of the Department of External Affairs on April 26, when the final vote was taken with regard to this matter which would have disposed of this question which has troubled international lawyers and international politicians for generations, the result was 54 in favour and 26 against. That meant that the Canada-United States proposal failed to carry by one vote only. Indeed, if one delegate who was not present at that meeting had turned up and had voted for the resolution, the law of the sea would have been laid down and we would not be debating today whether or not a 12 mile limit is required and, if so, how to bring it into being.

In any event, the proposal was lost and there seems to be no immediate prospect, as far as I know, of a third conference on the law of the sea to deal with this matter; so this first and best way of dealing with it has, for the time being at least, had to be discarded. But we do not need to let the matter drop because of that. There are 54 countries that voted for this 12 mile proposal with a 10-year period for the observance of historic rights.

So another way of establishing this zone in Canadian law is to get those countries which accept this 12 mile zone to agree among themselves that as far as they are concerned it is international law, and that it will be observed and enforced by them. Last summer, in the last session, I asked the Secretary of State for External Affairs what steps were being taken by Canada or by anybody else to negotiate a convention among those countries which accept this 12 mile zone, so that it will be accepted by them as enforceable. At that time the Secretary of State for External Affairs stated that while no formal negotiations were going on, discussions were taking place. We have not heard anything about the result of those discussions since that time, so we are forced to conclude, Mr. Speaker, that no progress has been made in the direction of a limited international convention; indeed it would not be very seriously limited, because 54 votes were cast at Geneva in favour of such a proposal.

The third alternative is for our own government to take unilateral action, as other governments have done, and decree that there will be a 12 mile fisheries jurisdiction zone laid down in our domestic legislation and that we will exercise jurisdiction in that zone. It was pointed out this afternoon in a question by my hon. friend from Halifax (Mr. Morris) that action of this kind might not be recognized as valid by other countries. He said, "What do you do in that case?" and he mentioned Russia in particular.

If I may say so, the hon. member did not give a very impressive illustration of the difficulty of enforcing this kind of action, because I believe Russia itself has laid down a 12 mile territorial waters zone. It is not likely, therefore, that Russia would challenge the right of Canada to exercise jurisdiction over the same width of sea as she exercises herself. In any event, Mr. Speaker, other countries have done this. They have protected their own interests, in default of international agreement, by taking action. That action has been recognized, although not always without a good deal of dispute. There comes to mind at once the difficulty between Iceland and the United Kingdom in the efforts of Iceland to establish a jurisdictional zone. That dispute has now been resolved in favour of Iceland, and Iceland has made good its claim to an area of jurisdiction outside territorial waters. So, also, has Norway. If these countries can do this, so can Canada.

Therefore we feel that we are missing an opportunity, in introducing legislation of this kind in not taking action which will establish our own rights and protection over a 12 mile zone and letting our friends know that in default of international agreement on this point—and we have done our best to bring about international agreement—we propose to take this kind of action. Surely we are not expected to wait indefinitely; we are not expected to wait long, until other countries get together at an international conference to do this by international agreement. We have tried for a good many years now to get such international agreement. We have failed. We almost succeeded in 1960, but we have failed.

Therefore it is not necessary to accept for any length of time the failure to agree internationally on this matter. It is possible, I think, without being provocative in this matter at all to do what other countries have

done and establish a 12 mile fisheries zone, and then take steps to get that area accepted by other powers.

That is what I suggest we should do now, and that is what I suggest might have been done in the amendments to the Fisheries Act now before us.

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): Mr. Speaker, the bill that is before the house must certainly be received with interest and, generally speaking, with approval because of its attempts to reform long existing legislation. However, its very nature and importance, particularly to us from the seaboard districts, are such that it does require very careful scrutiny by this house.

The bill is obviously intended to rectify existing legislation and bring it more into line with modern needs and thinking. In so far as it deals with pollution I think the suggested amendments are good, because under the old act the penalties were so light that a big operator could, if he wished, break the law with impunity. There are teeth in these amendments, teeth which I think should be there.

With respect to some of the penalties, however, particularly the seizure of gear, I agree with the hon. member for Burin-Burgeo, who pointed out that if a fisherman broke the law and his traps or nets were seized, he would be placed in a position where he would automatically be unable to earn a livelihood. For instance, if the nets which he used to catch bait were taken, his whole fishing season could be ruined.

Therefore it occurs to me that a very careful second look should be given to this matter of penalties and the type of penalties which should be exacted. We should carefully consider whether or not fishing gear or fishing property should be automatically confiscated upon guilt being proved. We should consider whether a fine or imprisonment should be instituted in place of confiscation, because there is no doubt that the confiscation of property can work real hardship, not only on the guilty party but on his fishing partners, his associates and his family. The actual penalty might in fact be far out of proportion to the crime committed, because the property or gear seized might be worth only a few hundred dollars but if it means the loss of a season's work it runs into much more money than that.

I am sure the minister and all of us want the punishment to fit the crime. In saying that, I should like to make it clear that I understand the necessity of making sure that the punishment does fit the crime and is not too light, because unless the Minister of Fisheries were in a position to enforce the acts which are necessary for the conservation of the fisheries, the whole purpose of these fisheries regulations would be defeated; and without proper protection, certain fisheries may in time cease to exist.

Therefore in asking for a new look to be given to the penalty part of this bill I am not suggesting that flagrant violations of the law with regard to conservation should be overlooked. Rather I am trying to point out, if it is necessary for it to be pointed out, the desirability of having a punishment for violations whereby teeth could be kept in the regulations but it would not be necessary to cause undue and prolonged hardship to the person affected.

There is the matter of enforcing the regulations and the patrol of coastal waters. I agree with the hon. member for Burin-Burgeo, who appealed for more and larger vessels, but I go a step further than that. I do not think it would be economic to maintain the number of vessels which would be required to adequately protect the coastal waters of Canada. The Department of Fisheries would have to have its own navy. Well, they have one now, and a very good one. However, I think you would pretty soon, get into the law of diminishing returns if you built enough ships to patrol all the coastal waters of Canada. I do suggest that we should have more and larger patrol ships we should have patrol which can stay at sea in bad weather, as some fishing ships can. As the hon. member for Burin-Burgeo (Mr. Carter) pointed out, more of these ships are certainly needed.

In addition, I would suggest an increase in the amount of air patrolling. At the present time I believe there is a limited air patrol carried out by the Department of Fisheries. I do think it would be highly desirable and highly effective if an air patrol were maintained off the coast of Canada. In this connection I think that the search and rescue unit of the R.C.A.F. which is already established at Torbay, for instance, as well as in other places, could provide such an air patrol or supplement the air patrol carried out by the Department of Fisheries. Such a patrol, working in conjunction with an adequate inspection fleet would do much to protect the waters off our coast.

Now we come to a subject to which reference has already been made by a number of speakers. I think the Leader of the Opposition (Mr. Pearson), the hon. member for Burin-Burgeo, and the hon. member for Queens-Lunenberg (Mr. Crouse) have each referred to the question of the 12 mile limit. I agree completely with what was said by the Leader of the Opposition and by the hon.

member for Burin-Burgeo. I disagree completely with the hon. member for Queens-Lunenburg who seems to think that all the ills affecting the fisheries are due to Liberal thinking. The hon. member was using the word "Liberal" with a political connotation. I would say, using the word "liberal" in another sense, that we have been much too liberal in allowing foreign fishing vessels the free use of our territorial waters.

The presence of a Russian icebreaker equipped with helicopters to fly sealers into the ice fields off our coast this year is perhaps of more direct significance for Canada than the Russians having the first man in space. Certainly the waters off Newfoundland, Labrador, Nova Scotia and our west coast are Canadian waters and their use affects not only individual provinces but all provinces. I should like to strongly support the suggestion made that Canada should have a 12 mile limit from point to point and that this 12 mile limit should be strictly enforced. This can be done.

As I have said on many occasions, the presence in our waters of so many ships belonging to our foreign competitors is bound to have an adverse effect upon our own direct interests and the growth of competition makes it highly desirable that Canada should take steps to preserve the rich waters off our coasts for her own use and for the benefit of her own citizens.

Mr. W. L. M. Creaghan (Westmorland): I have only a few words to add to the very interesting debate on this bill. I am chiefly concerned with section 64, or, to be more precise with section 64(a) of the act. I wish to draw the attention of the house and of the minister to what I consider to be something which may cause discrimination in the enforcement.

The hon. member who has just spoken emphasized the hardship caused by confiscation after seizure. Well, in some cases confiscation is necessary. My concern relates to the confiscation of goods when the owner is innocent or when the identity of the owner has not been ascertained. Under the bill, if a person is charged and defends himself, and is then convicted, the owner, if he is not the accused person, has 30 days after the conviction in which to make application to a judge for an order to have his equity protected.

However, on the other hand if at the time of the seizure no one is charged and the owner of the goods is not identified there is only a period of 30 days allowed. I hope that when the bill is in the committee stage the minister will give some consideration to extending the period of 30 days allowed for making an application for protection to a judge.

[Mr. Granger.]

I am mainly concerned about goods owned by an innocent person for example after a theft. When goods have been stolen they can be used illegally or improperly by the thief and the innocent owner might not know of the offence until the period of 30 days had expired.

Mr. H. C. McQuillan (Comox-Alberni): I was interested in the remarks made by the Leader of the Opposition (Mr. Pearson) and by the hon. member for Skeena (Mr. Howard) regarding the unilateral establishment of a 12 mile limit. I am thinking, now, especially in terms of the Pacific coast. I think we should all like to see it, but there are some difficulties in establishing this limit unilaterally because of the nature of the boundaries between British Columbia and the United States. Such difficulties will arise particularly in such places as the straits of San Juan which in many areas are considerably less than 24 miles in width, in the neighbourhood of Hecate strait between the Queen Charlotte islands and the mainland, and along the southern part of what we call the Alaskan Panhandle.

I cannot see how we can establish a 12 mile limit unilaterally. I think it would have to be done by bilateral agreement. I believe that any attempt to establish such a limit unilaterally would result in a great controversy between ourselves and the United States and would inevitably result in bloodshed. I think the United States fishermen would resist an attempt to enforce such a boundary unilaterally in the same way as our fishermen would resist it in areas where a unilateral United States definition of a 12 mile limit was not in their interests.

I should therefore like to suggest to the Leader of the Opposition that his remarks apply with more force to the Atlantic coast. His suggestion might be feasible there—it might be practical—but I think if we were to try it unilaterally on the Pacific coast we would be asking for a lot more trouble than we could handle.

Hon. E. D. Fulton (Minister of Justice): I do not intend to detain the house very long on this bill because, as hon. members will all appreciate, I make no claim to skill or knowledge as a fisherman, at least as far as sea fishing is concerned. The closest acquaintance with the art of fishing that I can claim—and it has been a very pleasant one—is, of course, by way of fly fishing, and perhaps I could take this opportunity to put in a boost for that splendid domestic fish known as the Kamloops trout, the finest sport fish in North America.

Some hon. Members: Hear, hear.

Mr. Fulton: I recognize, however, that this bill does not concern this branch of the art, and that it relates mainly to problems of no concern to inland fisheries.

I wish to take part in the debate for two specific reasons. First, I want to deal with some remarks which have been made as to the incidents surrounding the introduction of the bill. Second, I wish to deal with the understandable concern and interest of hon. members in the relationship between this bill and the provisions of the bill of rights.

First, with respect to the circumstances of the introduction of the bill; it has been suggested by some hon. members that the bill may have been introduced because of an attempt made by the hon. member for Burin-Burgeo (Mr. Carter) to introduce and proceed with a private bill of his own. Let me assure the house that is far from correct. While we in this government do pay a good deal of regard to private members and their views, and are always anxious to obtain the benefit of their views, in this situation, while appreciating the interest of the hon. member for Burin-Burgeo, let me assure you that the bill now before the house was in preparation long before that purported bill of his saw the light of day.

This bill was in preparation in the Department of Fisheries last fall and has been considered in detail in my department, in the context of the bill of rights, as far back as last December.

Indeed it would be, in large part, correct to say that one of the main reasons for the introduction of the present bill was the concern of the Minister of Fisheries (Mr. MacLean) with respect to the situation in which he and his officers found themselves under the present Fisheries Act as a result of the bill of rights. I can assure the house that my colleague, the Minister of Fisheries is, as are all members of the present government, most careful to review the legislation and the activities of the officers for which he is responsible to ensure that the legislation does not place him or his officers in a position where things are likely to be done contrary to the bill of rights. It was because of the concern of my colleague with regard to this matter—that was one of the main reasons—that he sought approval for the introduction of this bill to revise the Fisheries Act.

As has been pointed out by all of those hon. members who have spoken on this bill, it is a tremendous improvement, with respect to this kind of matter, over the Fisheries Act as it is presently. I should like to remind the hon. members of this house, when they are considering and recalling to their minds some of the things that were said at the time of the debate on the bill of rights—that it would be of no effect, was nothing but words, and other suggestions made by members of the opposition—that we have here before us today a very concrete example of the effectiveness of the bill of rights. When you see the extent to which the Fisheries Act, a statute which has been on the books for many years, has offended the provisions of the present bill of rights, you will understand the important step forward made in introducing this piece of legislation entirely in conformity with that bill of rights.

I am not going to attempt to go far enough back into history to assess particular responsibilities for these objectionable features in the present Fisheries Act, but I do point out to you that our predecessors had 22 years of opportunity to remove them but did nothing about it, yet within a very short time of the passage of the bill of rights by this government we have this concrete example of the seriousness with which, under the present Prime Minister (Mr. Diefenbaker), human rights and fundamental freedoms are observed.

I do not propose to go into a long dissertation at this point on the matter of the due process of law, which is that portion of the bill of rights of main concern in connection with the enforcement provisions of the Fisheries Act, but I do want to assure the house in general that I have been at pains to satisfy myself that this bill is in conformity with the bill of rights in every respect. Something has been said here with regard to the report of the Minister of Justice in respect of the bill of rights which leads me to believe that it may be well to outline to the house again the procedure that is to be followed in connection with ascertaining that legislation introduced in this house is not contrary to the spirit and provision of this house.

Mr. Speaker: Order. I should remind the hon. minister that I prevented the hon. member for Skeena (Mr. Howard) from questioning the minister or raising a question in regard to the process, procedure or machinery under the bill of rights because in my view it was not relevant to a discussion of this bill. A question in regard to whether this bill complies with the bill of rights is another matter, of course, and has been discussed by many hon. members, but I think it would be out of place, as the hon. member for Skeena has not been allowed to proceed, if the Minister of Justice were to do so.

Mr. Fulton: I will endeavour to comply with your remark which, in my understanding, is that there should not be an attempt to go into the detail of the procedure by which I form my opinion but rather to

discuss the opinion itself. I might say just before coming to that point, in connection with the comparison between this bill and the present Fisheries Act, that while, as I said a few minutes ago, we do appreciate the views and interest of private members, I want to make it very clear that it was not the introduction of the bill by the hon. member for Burin-Burgeo that occasioned the introduction of the present bill by the Minister of Fisheries. It was far from that because, if you will examine the bill introduced by the hon. member for Burin-Burgeo, you will observe that far from actually seeking to eliminate any of the objectionable provisions of the Fisheries Act, which he appears to believe are contrary to the bill of rights, my hon. friend has solemnly attempted to re-enact every one of them.

Mr. Carter: Mr. Speaker, I rise on a point of order. I should like to correct the Minister of Justice in that—

Mr. Speaker: Order. If the hon. member is correcting the minister I suggest he will have the opportunity to do so in regard to any misinterpretation that the minister has put on his statements, but that is not a point of order.

Mr. Fulton: Mr. Speaker, the hon. member will have that opportunity if I am mistaken, but I do not think I am. The point I am making is that simply because—

Mr. Carter: Mr. Speaker, I wonder whether the minister would elaborate on that point he has just raised by explaining what was wrong with my bill?

Mr. Fulton: Mr. Speaker, you stopped me this morning when I attempted to discuss in detail what was wrong with the hon. member's bill. The point I am making now is that the hon. member's bill does not accomplish anything by way of removing the features which he says are objectionable in the present Fisheries Act, but rather expressly seeks to re-enact them. That seems to me to be a very strange way to go about bringing legislation into conformity with the bill of rights. We have on the one hand an hon. member who says he considers many provisions of the present act are contrary to the bill of rights, and on the other his introduction of a bill which in fact would re-enact them.

This government has had this under consideration since last fall, shortly after the bill of rights became effective, in order to bring in legislation which will remove the objectionable features so that the officers of the Department of Fisheries, from the minister down, will be administering a piece of legislation which is in conformity with the bill of rights.

[Mr. Fulton.]

Mr. Carter: Will the hon. minister permit a question?

Mr. Fulton: Yes, gladly.

Mr. Carter: Is the hon. minister maintaining that when a bill is introduced in this house it must be in perfect form and brought in with the assumption that no changes will be made during its passage through this house and the other place?

Mr. Fulton: Mr. Speaker, I am sure most hon. members have always proceeded on the assumption that when an hon. member invites this house to support a piece of legislation which he has introduced, he has introduced it considering it to be worthy of the support of this house, and not legislation which he considers should be thrown out. What kind of a farce would it make of our proceedings if hon. members asked support for a bill with the explanation that the purposes are worthy, and then, having received support, the bill does not seek to carry out those purposes at all?

Mr. Carter: Does the hon. minister consider that changes made in the bill to make it conform to the bill of rights are not worthy of this house?

Mr. Fulton: Mr. Speaker, that is not the purpose of the hon. member's bill as it is drafted. The purpose of the hon. member's bill as drafted is to re-enact the present Fisheries Act—

Mr. Carter: In conformity—

Mr. Fulton: —which my hon. friend has said he considers to be inconsistent with the bill of rights.

Mr. Carter: In conjunction with the report made by the minister as to whether it offended the bill of rights.

Mr. Speaker: Perhaps I should call both hon. members to order. It seems to me that the other bill, although it may be referred to incidentally, cannot in itself be the subject of our consideration today.

Mr. Howard: Will the minister permit another question?

Mr. Fulton: Yes.

Mr. Howard: Following up the reason advanced by the minister for the drafting of this legislation, preparation for which began last December, which reason he explained was to bring the Fisheries Act into conformity with the bill of rights, can we now expect that similar amendments to the objectionable features of the Feeds Act of last session and the Customs Act will be brought in this year?

Mr. Speaker: Order. The hon. member certainly is getting away from the subject matter before the house. I think I would be only encouraging an irrelevant discussion if I were to allow the question to be answered.

Mr. Howard: The minister is saved.

Mr. Fulton: The problem of enforcement of fisheries legislation from the point of view of the bill of rights arises largely out of the fact that there are some pieces of fisheries equipment which are used for illegal purposes which, if not disposed of promptly, will in fact carry out that illegal purpose to the prejudice of the general public. It therefore becomes desirable to provide a method under which the offending equipment may be disposed of immediately in order that the public interest may be protected. It is in connection with the devising of a procedure that gives a speedy method of disposal, but which at the same time does not arbitrarily deprive an individual of his rights, that the problem arises. And it is that specific problem that the new draft bill before us has met and, in my view, has met fairly and successfully.

Under the old Fisheries Act it is true that wide powers of forfeiture on view were given to fisheries officers, with the result that where a fisheries officer felt that an offence was being committed, he had wide powers of seizure resulting in an automatic and complete forfeiture of the goods in question.

I should go on to say that an owner, even an innocent owner, had no recourse against such a forfeiture. I use the word "innocent" to describe an owner whose goods might have been used without his permission or knowledge for the offensive purpose; even that owner had no recourse against the complete forfeiture to the crown, which resulted from the unilateral action, without a hearing, on the part of the fisheries officer. Of course, Mr. Speaker, it is essential that that situation should be remedied and it has been remedied in the bill now before you.

The scheme of the present bill is that in general there should be no forfeiture without a hearing. The article with which the offence is alleged to have been committed must be ordered to be forfeited by a court under proceedings to be brought by the minister. It is true that the present bill does authorize fisheries officers to seize, and this seizure would have the effect of forfeiture if nothing else were done. It is provided here that since the forfeiture itself can only be ordered by the court, an owner shall not be effectively deprived of the right to his property by the minister refraining from bringing action. Hon. members will appreciate that if the article is seized and nothing is done, the owner would otherwise be effectively deprived of possession. Therefore, we go on to provide that unless the minister brings action within three months from the date of seizure the goods shall be restored to their owner. In other words, if the minister finds that he has not got a case, or that the seizure was made in error, then he cannot simply let the matter drop and effectively deprive someone of his rights. If he does not bring action within three months the goods are automatically restored. As I say—

Mr. Carter: Will the minister explain how that boat and equipment are going to catch fish while they are confiscated for three months?

Mr. Fulton: Mr. Speaker, I am endeavouring to explain the scheme under which this very difficult problem of enforcement and of protection of the fisheries in the public interest has been resolved. It is true that with respect to one class of fisheries equipment there can be a forfeiture without the owner having been in effect notified, and that is in connection with lobster pots. My understanding is that frequently lobster pots are found out in the sea, in an area in which lobster fishing is prohibited, or in an area at a time when the lobster season is closed.

Those lobster pots are, of course, actually being used for an offence and there is not much point in leaving them there while the fisheries officer goes back to court. Further lobsters will crawl into the pots while the fisheries officer is off in court; the offender may come and remove them while his back is turned. Therefore, it is provided with respect to this particular item of fishing equipment that it may be forfeited and disposed of immediately as the minister directs.

However, it is further provided in the next proposed section that if there is an owner who is an innocent owner even of items in this class, he may within 30 days make application to the court, and if he establishes that the property was his and that it was being used without his knowledge or consent, then he is entitled to the return of his property, or, if it has already been disposed of, to the return of the equivalent value. Therefore, Mr. Speaker, I think it will be generally agreed that in view of the really difficult problems of enforcement that exist, the scheme that has been devised is one which is reasonable and which protects the public interest without prejudice to the rights of individuals as they are declared in the bill of rights.

As I have said, I do not want to go into a long dissertation on this question of "due process", although it was around this point

that the main difficulty revolved namely, are we depriving people of their rights without due process of law? We have done some research on it and the house may be interested in a brief summary of the position. It will be appreciated, of course, that in connection with this phrase "the due process of law" there is not much jurisprudence in Canada, nor is there, indeed, in the United Kingdom. The main jurisprudence is found in the United States. While I do not suggest for a moment that the United States cases will serve as binding precedents, I certainly think it is not unlikely and not unreasonable that our courts would turn to examine the views of the courts in the United States to see what has been the thinking on this subject and the interpretation given to the due process section. Therefore, I think the house might be interested in a summary of one of the leading cases in the United States on this question.

I refer to the case of Lawton versus Steele in 1893, reported at 38 United States supreme court reports at page 385. It is interesting to note that this case arose out of a fisheries statute of the state of New York, which contained the following provision:

> Any net, pound, or other means or device for taking or capturing fish, or whereby they may be taken or captured, set, put, floated, had, found, or maintained, in or upon any of the waters of this state, or upon the shores of or islands in any of the waters of this state, in violation of any existing or hereafter enacted statutes or laws for the protection of fish is hereby declared to be, and is, a public nuisance, and may be abated and summarily destroyed by any person, and it shall be the duty of each and every protector aforesaid and of every game constable to seize and remove and forthwith destroy the same, ... and no action for damages shall lie or be maintained against any person for or on account of any such seizure and destruction.

This provision was attacked and alleged to be unconstitutional and void for the reason, amongst others, that it deprived a citizen of his property without due process of law. In coming to its decision, the court said as follows:

> The extent and limits of what is known as the police power have been a fruitful subject of discussion in the appellate courts of nearly every state in the union. It is universally conceded to include everything essential to the public safety, health, and morals, and to justify the destruction or abatement, by summary proceedings, of whatever may be regarded as a public nuisance.

Perhaps I should pause here to observe, Mr. Speaker, that although we do not have the doctrine of police power developed in the same precise form as is the case in the United States, nevertheless it is apparent to all hon. members that powers of enforcement such as are contained in this bill rest on the doctrine of police power, namely that the governments, on behalf of the public, must do those things which are necessary and have a right to provide legislative sanction for the doing of those things which are necessary for the protection of the public interest. However, all jurisdictions under our system of democracy have recognized, and it is inherent in the bill of rights, that the state cannot rely on the doctrine of police power to go so far as arbitrarily to deprive a citizen of what are his fundamental rights without due process of law.

The supreme court of the United States which, as I said, is a country where this whole problem of reconciling police power with individual rights has been exhaustively considered by the courts, went on to say this:

> ... To justify the state in thus interposing its authority in behalf of the public, it must appear, first, that the interests of the public generally, as distinguished from those of a particular class, require such interference; and, second, that the means are reasonably necessary for the accomplishment of the purpose, and not unduly oppressive upon individuals. The legislature may not, under the guise of protecting the public interests, arbitrarily interfere with private business, or impose unusual and unnecessary restrictions upon lawful occupations. In other words, its determination as to what is a proper exercise of its police powers is not final or conclusive, but is subject to the supervision of the courts.

I pause here to interpolate that under our bill of rights we have assured that provisions enacted by the legislature here are similarly subject to the supervision of the courts.

The judgment continues:

> —the preservation of game and fish, however, has always been treated as within the proper domain of the police power, and laws limiting the season within which birds and wild animals may be killed or exposed for sale, and prescribing the time and manner in which fish may be caught, have been repeatedly upheld by the courts.

The court then turned its attention to the act in question of New York state from which I have read and which, as I have pointed out, went so far as to say that any net, pound, or other means or device for taking or capturing fish, and being used in violation of any existing or hereafter enacted statute of the state, is a public nuisance, and may be seized and summarily destroyed. It was that provision to which the supreme court of the United States turned its attention, and they said this:

> The main, and only real difficulty connected with the act in question is in its declaration that any net, etc., maintained in violation of any law for the protection of fisheries, is to be treated as a public nuisance, "and may be abated and summarily destroyed by any person, and it shall be the duty of each and every protector aforesaid and every game constable to seize, remove and forthwith destroy the same." The legislature, however, undoubtedly possessed the power not only to prohibit fishing by nets in these waters, but to make it a criminal offence, and to take such measures as were reasonable and necessary to prevent such offences in the future. It certainly could not do

this more effectually than by destroying the means of the offence. If the nets were being used in a manner detrimental to the interests of the public, we think it was within the power of the legislature to declare them to be nuisances, and to authorize the officers of the state to abate them.

Then, sir, the supreme court of the United States turned to a problem which has exercised us here. We have provided in the present bill that large items of property, expensive items, where either the value of the property or the ease of determining ownership, or both, make it patently absurd to provide a situation where they could be ordered to be forfeited simply because somebody says he cannot identify the owner—we have provided that shall not take place without a hearing in so far as fishing vessels or vehicles are concerned, and a determination must be made of the issue of whether or not an offence has been committed with such articles, at which time an innocent owner may be given an opportunity to come in.

However, in the case of these small items of the class I have mentioned, this problem is much more difficult. It is highly likely there will be no trace of ownership, no means of identification in the first place. In the second place, if they are being used to commit an offence, and they are of small value, then obviously no one is going to identify them because by so doing he renders himself liable to the penalty for committing the offence. Therefore, there will be no one coming along and claiming ownership, so the only practical result is that ownership may be forfeited by the very commission of the offence.

The supreme court of the United States said this in respect of this matter:

> But where the property is of little value, and its use for the illegal purpose is clear, the legislature may declare it to be a nuisance, and subject to summary abatement. Instances of this are the power to kill diseased cattle; to pull down houses in the path of conflagration; destruction of decayed fruit or fish or unwholesome meats, or infected clothing, obscene books or pictures, or instruments which can only be used for illegal purposes. While the legislature has no right arbitrarily to declare that to be a nuisance which is clearly not so, a good deal must be left to its discretion in that regard, and if the object to be accomplished is conducive to the public interests, it may exercise a large liberty of choice in the means employed.

Finally, I should like to put this passage before the house dealing with items of this class:

> The value of the nets in question was but $15 apiece. The cost of condemning one, (and the use of one is as illegal as the use of a dozen) by judicial proceedings, would largely exceed the value of the net, and doubtless the state would in many cases, be deterred from executing the law by the expense. They could only be removed from the water with difficulty, and were liable to injury in the process of removal. The object of the law is undoubtedly a beneficent one, and the state ought not to be hampered in its enforcement, by the application of constitutional provisions which are intended for the protection of substantial rights of property. It is evidence that the efficacy of this statute would be very seriously impaired by requiring every net illegally used to be carefully taken from the water, carried before a court or magistrate, notice of the seizure to be given by publication, and regular judicial proceedings to be instituted for its condemnation.

That case is not exactly similar to all the cases that may arise under this legislation, but it is interesting I think to see something of the general approach which the highest court in the United States took to this matter, a court very much seized with the importance of human rights and fundamental freedoms. It is interesting because in the general discussion, parts of which I have read here, they dealt extensively with this problem of the proper exercise of the police power, proper protection of the public interest on the one hand, as against the protection of individual property rights on the other.

So, Mr. Speaker, I say to the house through you that, in the drafting of this legislation, we have been scrupulously careful to ensure that every reasonable protection—and indeed more than reasonable protection—is given to property rights of the individual and that where it is physically and practically feasible to do so within the confines of an effective enforcement measure, no arbitrary powers of confiscation, seizure or forfeiture are given and no one is liable to have his property taken from him and disposed of without the right to a hearing and to defend his rights and his interests.

As I said, the bill was reviewed from this point of view in our department from as far back as last December. It has been examined by me in that process and I have no report to make to the house as to any inconsistency with the bill of rights. May I remind the house that, under the bill of rights, my obligation is to report inconsistencies; it is not my obligation to make a general report if I find no inconsistencies. Therefore, if there is no report that means that no inconsistency has been found. In every case, of course, a copy is required to be deposited with the Clerk bearing a certificate that it has been examined in the Department of Justice. That is required under regulations worked out between my department and Mr. Speaker for the efficient information of the house under the terms of the bill of rights. So that in so far as concerns the suggestion that an official report from the Minister of Justice is expected with respect to every piece of legislation, may I say that is not the approach that is taken. What is required from the Minister of Justice by the statute is a report if he finds inconsistencies between a piece of legislation and

the bill of rights; and in my view, there are no such inconsistencies in this bill.

Mr. Carter: May I ask the minister a question—

Mr. Fulton: Yes.

Mr. Carter: —or may I ask two questions? One is this. Did he find no inconsistencies in Bill No. C-76? What is the purpose of this report which he is required to make under standing order 40 if it is not to guide the house in the framing of amendments to take care of inconsistencies?

Mr. Fulton: Your Honour has already ruled that a discussion on the process by which I arrive at my opinion is out of order and also has suggested that a discussion of Bill No. C-76 and whether or not it is in conformity with the bill of rights is not in order in a debate on this bill. This morning I commenced to indicate my opinion of Bill No. C-76 and the Speaker stopped me. This afternoon I have pointed out that with respect to Bill No. C-76, in the explanatory note and in the explanation that the hon. member gave when he introduced it, it was said to be a bill for the purpose of revising the Fisheries Act and bringing it into conformity with the bill of rights. However, the bill as drafted does nothing of the sort. It merely re-enacts the Fisheries Act. I do not think I should go any further in the course of this debate.

Mr. Carter: Your Honour or Mr. Speaker said I would have an opportunity to contradict a statement or to correct a statement that the minister made. The minister has just now made another statement that is wrong and I want to quote—

Mr. Broome: Speaking to a point of order, Mr. Speaker, may I say that I believe the intent was that the hon. member would correct it in committee or at some succeeding place in the debate. He has already spoken on second reading. It is my understanding that an hon. member can speak only once on second reading.

Mr. Carter: Speaking to the point of order may I say that it is common practice and within the rules to make a correction immediately after a misstatement has been made.

Mr. Deputy Speaker: Of course the hon. member may correct a statement made by another hon. member if the statement refers to what the hon. member has said and is a misinterpretation of what he said. If the hon. member wishes to rise and take the opportunity at the end of a speech, he may do so. But this is not the situation. The hon. member may not rise only to correct a statement of fact made by another hon. member. It must refer to what he said. If that is the purpose of the hon. member I will give him the floor.

Mr. Carter: That is right Mr. Speaker. I wish to correct a statement which the minister made just before he took his seat. I want to quote from the explanatory note in my bill just one sentence as follows:

> The purposes of this bill... therefore are:
> 1. To determine whether any of the provisions of this bill are inconsistent with the Canadian bill of rights: in particular, the provisions of clause 35 which empower a fishery officer to accuse a person of violating the fisheries laws and then to adjudicate on that person's guilt or innocence;

I could quote more but I think I have quoted enough to correct the statement the minister just made.

Mr. Fulton: What the hon. member has quoted, far from correcting what I have said, confirms what I have said.

Mr. Pickersgill: I think this discussion is out of order.

Mr. Deputy Speaker: For the guidance of hon. members I think perhaps I should read standing order 37 which states as follows:

> No member may speak twice to a question except in explanation of a material part of his speech which may have been misquoted or misunderstood, but then he is not to introduce any new matter and no debate shall be allowed upon such explanation.

I therefore think we should close the matter at that point.

Mr. Fulton: With respect, Mr. Speaker, may I point out that the hon. member rose by way of a question first. Then the matter of Bill No. C-76 had been included in the comments made this afternoon. Then the hon. member commented on something I had said, and as he put it, he corrected me. I am simply seeking to point out that his bill when it is examined, clearly does not do what he says is its purpose. What it does is to re-enact the Fisheries Act, the very piece of legislation to which he says he has objections.

Mr. Pickersgill: A successful breach of the rules.

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, it is not my intention to delay the passage of this important bill. However, because of the importance of our fisheries to our great dominion and because I represent one of the most important fishing industries and fishing communities in Canada I feel that I cannot allow the occasion to pass without saying a few words in support of the bill. In our fish industry we have a Klondike which is just as great as any gold claim that has ever been utilized or sold in California. Every year there are caught off our coasts both east

and west millions of dollars worth of fish of all descriptions. Reference has been made to this bill, to what the Liberal government did not do and to what it should have done. In my opinion for what it is worth, this bill was brought about because of the bill which was introduced by the hon. member for Burin-Burgeo (Mr. Carter).

Mr. Grafftey: Nonsense.

Mr. Tucker: The fact that the Liberal government did not do anything to improve the conditions about which the Progressive Conservative government feels something should be done, does not excuse it for not doing anything. We are glad to see that steps have been taken by the Progressive Conservative government to improve our fisheries.

There are two important factors that are to be considered in connection with this bill. One is the enforcement of the fishing regulations and the other is the protection of our fisheries against foreign powers.

If we have not sufficient vessels to see that our rights are protected, I think this government or any government should take steps to see that the necessary protection is given to this important industry.

It seems to me that our officials are more concerned with enforcing the law upon our own fishermen than they are in seeing it enforced upon foreigners.

Last year I asked a question of the Minister of Fisheries (Mr. MacLean). My question is reported at page 2123 of *Hansard* for 1960:

> I should like to direct a question to the Minister of Fisheries. Has his attention been called to a report that a foreign sealing vessel is operating within the territorial waters of Canada and, if so, what action is his department taking?

The minister replied:

> Mr. Speaker, a telegram has been received in which the sender says it was reported to him that a foreign sealing vessel was operating within Canadian territorial waters.

The minister added that he had taken immediate steps to investigate the situation. At that time the minister had not received a report from his officers, but later he did receive a report and a plane was sent out to investigate the incident. Because of the type of investigation carried out, no grounds were found for the complaint.

I have here a flag which was taken from a vessel within the three mile limit. It is not the type of flag about which we have heard so much political propaganda in the house recently, but it was taken from a sealer and it is of foreign origin.

An hon. Member: It is a red flag.

Mr. Tucker: It is a red flag, not a blue one. This brings me to the question of the 12 mile limit. Previous speakers have said they fear what would take place if Canada were to put real teeth into the regulations to enforce a 12 mile limit.

I should like to read from an editorial in a recent issue of the *Evening Telegram* of St. John's:

> Just over two years ago the government and the people of Iceland became very concerned about their livelihood, especially the portion that depends on the fisheries.
>
> Whereupon Iceland, unilaterally, i.e. "on her own hook", without consultation with any other maritime nation or world organization, extended her traditional three mile fishing limit to 12. This was vigorously opposed by Britain, an ancient friend of Iceland, which has been sending fishing ships to Icelandic waters since the Middle Ages. But Iceland was stubborn; there were incidents when her patrol vessels interfered with British draggers; at one stage British men-o-war went along as escorts.

After 13 years of the arbitrary establishment of fishing limits Iceland has agreed to proposals that future disputes should come under the jurisdiction of the international court of justice.

These proposals, which were published recently in London, provide for the immediate recognition by Britain of Iceland's 12 mile limit, with a three year phase out during which British vessels would be allowed to fish in certain areas up to six miles from amended base lines.

The case of Britain and Iceland shows that the latter did not lose her ancient friend, but instead won recognition of the vital nature of her own valuable fisheries.

As soon as we have the courage to state where we stand and look after our fisheries, I think the better off we will be.

Mr. H. M. Batten (Humber-St. George's): Mr. Speaker, I should like to make a few brief comments on this bill. I agree with what the bill tries to do in general. How well it does this I suppose we will be able to discuss at the committee stage.

Like many other hon. members of this house, I believe that this bill has been hurried in its presentation because of the bill which has been given first reading and which was presented to the house by the hon. member for Burin-Burgeo (Mr. Carter). I commend the hon. member for the remarks he has made and for his efforts to have the Fisheries Act amended in order to bring it up to date to meet present-day requirements.

Like many other hon. members of the house, I am a little bit concerned about the penalties to be imposed upon these poor fishermen. I speak with some knowledge of this matter because of those with whom I have had some dealings.

The type of thing that bothers me is this Let us take the case of a fisherman who is accused of committing an offence under the

Fisheries Act, whose fishing gear is taken away from him and who is afterwards found to be innocent; or perhaps after a period of three months it is decided to take no action and his gear is returned to him.

If we are talking about the lobster industry in Newfoundland, the salmon industry, or to a large extent the cod fishery, by the end of those three months the period in which this man could have made a living has expired. I think that preventing such a man from making a summer's wages, or a season's wages, as the case may be, imposes a very severe penalty upon him for an offence which he may not have committed.

Another thing that bothers me about this question is this. A man may have committed an offence under the act. I hold no brief for those who commit offences under the act; they should receive the full penalty of the law. But if a man has committed an offence under the act and has been punished by order of the court, must he also be punished by suffering loss of wages due to his fishing gear having been taken away from him?

Perhaps when we reach the committee stage on this bill we will hear from the Minister of Fisheries (Mr. MacLean) and the Minister of Justice (Mr. Fulton) as to how this particular situation can be prevented. I believe that this question of the penalties to be imposed upon fishermen needs to be examined very closely.

This bill also makes reference to the protection of fisheries. I wish to refer for a moment or two to the protection of inland fisheries. I am referring particularly to sport fishing in Newfoundland. In the section of Newfoundland from which I come sport fishing brings to the area a large number of tourists every year, and has done so for more than half a century.

We feel that sport fishing is the attraction which brings so many tourists to our part of the province. We hope protection will be given to the inland fisheries so that sport fishing can be conserved for the future and will remain a drawing card for people to come to the province of Newfoundland during the warmer periods of the year. I feel that at the moment insufficient protection is being given to this particular industry.

I believe more guardians are needed on the rivers to see that the fisheries are protected. I believe, also, that they should begin their work before the season opens and that they should remain at work for a period after the season closes. I am going to suggest now —and I intend to do so again when the estimates of the minister are before the committee of the whole—that a complete survey should be undertaken to determine what conservation and protection measures are required to safeguard the fishing of the west coast of Newfoundland and that having made such a determination we should carry out the protection measures required at the earliest possible date.

Coming from Newfoundland, or from the Atlantic provinces, I am, of course, concerned about fishing limits. On numerous occasions fishermen have told me that foreign draggers are fishing well within the three mile limit. I have no knowledge of this personally but neither have I any reason to doubt the stories that these fishermen have told me. We on the west coast of Newfoundland—and this may well apply to other parts of the province—have a situation where four or five miles off the coast there exists a fishing shoal, a fishing bank or fishing grounds. Fishermen from the nearby communities have fished these grounds for years and years.

In many cases the people who live in the nearby settlements have to depend upon these grounds for their livelihood; they find that they are their only means of employment. Yet draggers from foreign countries will come and in one season drag these grounds so that they are no longer able to provide a living for the number of men who have to live in the area. I recognize that some of these grounds are outside the three mile limit. Nevertheless, these foreign draggers are destroying the means which these people have of making a living and I suggest this is a matter which deserves very serious attention.

I regret the fact that in discussing these things today some of our speakers have got a little bit political. That might not be a good thing today as far as Newfoundland is concerned. Some of the things which have been spoken of here were all done by this parliament before Newfoundland came into the picture and if we were to go back further we should find that Newfoundland, in trying to solve her fishing problems, was not very well served by the federal government at a time when a Conservative government was in office.

Mr. Grafftey: Of course, you are not being political now.

Mr. Batten: I am doing exactly what you were doing. I think we could have discussed this bill and left all these things out, especially as there is agreement—

Mr. Grafftey: Your objectivity floors me.

Mr. Batten: I am not concerned about you. I would be enhancing the value of that remark unduly if I called it stupid.

Last year during the debate on external affairs I had some comments to make about the 12 mile limit and I believe the time is coming when Canada will have to make some decision about this question. There is no need here to make any further observations as to the importance of the fishing industry to Canada as a nation but I think one thing we should never forget is that when we are talking about the importance of an industry to the nation as a whole it is sometimes wise to pay attention to the importance of that industry to a particular region. An industry may not be especially important to Canada as a whole but it may nevertheless be of total importance to one small region. I think we sometimes have to view an industry in that way.

In the last few years world production of fish has increased by about 35 per cent while the total production by Canada has remained about the same. An odd thing about this is that the increase in world fisheries production, or a large percentage of it, has been taken from the Pacific and Atlantic coasts of Canada. In order adequately to preserve the fisheries in the northwest Atlantic I believe it is necessary for this country to institute fishing limits. These limits have been discussed internationally in the past. There was the Hague conference of 1930 and there was the Geneva conference in 1958, and while the Geneva conference in 1958 might not have arrived at the conclusion which we would have liked so far as territorial and fishing limits are concerned I would not infer from that that this conference was a failure. Far from it. I think it laid some very important groundwork upon which fishing limits can be based.

Then there was the conference of 1960. I think it was unfortunate that Canada came so close to having its contention acknowledged; it was unfortunate that the proposition which the Canadian delegation placed before the convention was not voted on in such a manner as to bring it to a successful conclusion.

I am wondering what could be done failing international agreement among all the nations who took part in that conference of 1960. Of the 87 nations represented at that conference, 54 voted in favour of the Canadian proposition, 28 voted against and five abstained. If it is not possible for all the countries represented at that conference to arrive at some conclusion, I am wondering if it would not be possible to have some agreement reached between those nations which voted for the Canadian proposition in 1960. I recognize that this would not constitute an international agreement but it may be we shall find that reaching an international agreement on this question is going to take a lot of time if, indeed, it can ever be done.

In the meantime the failure of these countries to reach agreement is producing a reaction on our fishing industry which none of us wishes to see. As I say, it may be that one thing we could do would be to attempt to reach agreement with the 54 nations voting for the Canadian proposition. If that is not possible, perhaps it would be possible to arrive at some agreement between the nations which now fish in the northwest Atlantic. If this cannot be done I would have to agree that perhaps the only course we could take would be to declare unilaterally a 12 mile limit around the coast of Canada.

If every other proposition fails I think that is what Canada should do. There are many other nations in the world which have declared their fishing limits unilaterally, some of them recently and some of them years ago. In 1906 Norway declared a fishing limit of four miles. Last year Norway declared that her fishing limits would be increased to 12 miles according to a statement made by the foreign minister of Norway after the Geneva conference of 1960.

Let us examine the unilateral declarations made by other nations and the years they were established. In 1907, Argentine, 12 miles; in 1909, Spain, 6 miles; 1912, Italy, 7 miles; 1914, Greece, 6 miles; 1923, Colombia, 12 miles; 1933, Ecuador, 15 miles; 1938, Brazil, 12 miles; 1949, Costa Rica, 200 miles; 1951, Korea, 50 to 60 miles; 1952, the Dominican Republic, 12 miles; 1955, El Salvador, 200 miles; India, 100 miles and Ceylon, 100 miles. I have taken these figures from a table provided by the secretariat of the United Nations in 1958 when this discussion, in which I was particularly interested, took place in that organization.

If other nations have been able to extend unilateral fishing limits, and if no other method is found to solve our own problems, I would suggest Canada will have to declare unilaterally a 12 mile fishing limit. I recognize immediately that if we should do so many problems will arise regarding our relations with other nations, particularly the United States, in respect of our markets for fish. I believe, however, if Canada were to declare a unilateral 12 mile fishing limit it would be possible to enter into agreement with those other nations which are particularly concerned with Canadian fishing limits. I see no reason why we cannot enter into bilateral agreements with other countries in order to protect their interests while, at the same time, protecting our own markets.

I recognize that by declaring a fishing limit we give rise to various problems, particularly the patrolling of that area inside the limits. I believe that a solution can be found, that most countries would be willing to recognize Canada's fishing resources, and that protection must be given them. If no other method is found to solve this problem then I would suggest that a declaration of a unilateral 12 mile limit must be made.

Mr. Drysdale: Would the hon. member permit a question? Would the hon. member suggest that the 12 mile limit off the coast of British Columbia would be measured from Vancouver or the west coast of the Queen Charlotte islands? What does he contemplate in this situation?

Mr. Batten: I would not be able to provide a good answer to that question. All the references I have made this afternoon have had regard to that portion of Canada with which I am familiar, namely, the east coast. I realize that fisheries on the west coast of Canada are very important to the people there, but I would not, with my limited knowledge of the coast of British Columbia, be able to decide just how the 12 mile limit should be imposed, whether it should follow the contour of the land or follow a line adjoining the headlands. I would think that hon. members from ridings on the west coast could certainly present some solution to the problem.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, this bill is particularly important to residents of British Columbia because of the fact that approximately half of the commercial fish in Canada are caught there.

The development and control of fisheries is a function of government. In respect of inland waters this is a responsibility of the provincial government; in respect of coastal waters, it is a responsibility of the federal government. Since our fisheries are almost entirely coastal water fisheries, and involve the great streams emptying into the Pacific coast—still salt water fisheries—the control is a responsibility of the federal government. In view of this situation any advancement in respect of this industry is dependent upon the action taken by the federal government.

Many of the changes proposed to the Fisheries Act have been requested during the past two years by representatives of that industry. I believe this proposed bill will meet the needs of those representatives. It may be of interest to hon. members that the fisheries association of British Columbia made a submission to the royal commission on Canada's economic prospects in which it was stated that commercial fishing represented the fourth largest primary industry in British Columbia, and that it employed directly some 18,000 individuals, and indirectly, some 75,000.

One of the most important features of this bill is that clause regarding the control of the pollution of waters. This is becoming a very pressing problem. I do not intend to go into it in detail as I am sure there will be much said in this regard when the bill is before the committee for consideration. Generally speaking, what has been suggested is that the Fisheries Act be made to conform with the bill of rights.

I would like to ask the minister whether he has considered that penalties in regard to violations be set by regulation so as to permit adjustment upward and downward. Since 1932 the penalty provided was so low companies did not even change their methods of disposing of wastes. These companies felt they could afford to pay the penalty and continue discharging poisonous and toxic matters into the streams. The penalty as now proposed will certainly make this an undesirable course to continue.

We have listened to a great many references to international waters and the establishment of a 12 mile limit. It has been established by international arrangement, between the United States and Canada, that the waters lying from the south end of the Alaskan Panhandle, which divides the waters known as the Dixon entrance, south to the Queen Charlotte islands, and south again to Vancouver island, and the waters between those islands known as Hecate straits, to the mainland, are Canadian.

Foreign vessels do, however, operate in these waters. If at this time we were to declare the territorial waters lying between headland to headland, our jurisdiction in this regard is not being exercised. I realize that questions of reciprocal favours in regard to our fisheries may exist but if foreign vessels are to be allowed to fish in these waters it should be by sufferance and not by right. They should be allowed to do so perhaps by permission granted each year so that the permission can be withdrawn if it is in the national interest to do so.

One other problem has been puzzling me which the minister can perhaps consider. That is, how will the department prevent vessels in waters such as the straits of Georgia from jettisoning oil waste material into these waters? I might mention that in British Columbia we have a water pollution act which exercises a certain amount of control. It was brought into being because of the fact that the Fisheries Act, as it read, did not exercise control because of its inadequacy. There is a proposal in this bill to change that, and it will perhaps provide some control over

vessels operating in inland waters and prevent the discharge of waste material. I will reserve any further comment in this regard until we come to a detailed clause by clause consideration of the bill.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, in speaking on the second reading of this bill I do not intend to traverse the ground that has already been covered by my colleagues from Newfoundland. Suffice it to say that I agree thoroughly with the observations they have made about this bill. I must say I cannot refrain from making a brief comment—and a very brief comment, because I do not think it deserves much more—about the very laboured attempts of the Minister of Justice, using United States precedents, to show that he was introducing freedom, United States style, into Canada and in doing so justifying police methods which most people who supported the bill of rights thought were going to be ended by the bill of rights. I think perhaps until we get into committee that is all his speech merits by way of reply.

The hon. member for Queens-Lunenburg (Mr. Crouse)—he was in the house until just a moment ago and I wish he was here—I see he is here, but not in his accustomed place—had something to say which I think merited more serious attention than the observations of the Minister of Justice. The hon. member for Queens-Lunenburg who is, I am sure, just as anxious as everyone else who represents a fishing riding to have the fisheries of Canada adequately protected, was disturbed lest unilateral action by Canada, if it should be taken, would provoke retaliation from the United States. Well, I must say I regard that as a sensible concern, and I think every Canadian ought to regard as a sensible concern anything which might endanger our market for fish in the United States which is absolutely essential to the well-being of the fisheries. I certainly agree with the hon. member about that; but I felt it rather strange that the hon. member should have waited until May 2, 1961, to express this concern because he had a wonderful opportunity to do it in June of 1957. I happen to have in my hand a clipping from the Halifax *Chronicle-Herald* of June 4, 1957, which reports the peregrinations of the hon. gentleman's leader through Nova Scotia, and in this report I read:

> During his day-long tour, with scheduled stops at Chester,—

A place familiar to the hon. gentleman.

> —western Shore, Mahone Bay, Lunenburg and Liverpool, Mr. Diefenbaker criticized the federal government—

That was the Liberal government.

> —for not making a stand regarding laws which allow United States draggers to fish within three miles of the Canadian coast while Canadian draggers have to respect a 12 mile limit off their own coast. He said that the federal government apparently was afraid of annoying the United States, although "if the United States was interfered with they would immediately make their stand known."

I assume the hon. gentleman was under the wing of his leader on that occasion, but there is nothing in the Halifax *Chronicle-Herald* that I can find to show that the hon. gentleman expressed his apprehension about the views that his leader was expressing at that time, apparently for the purpose of getting votes for the hon. gentleman. It seems to me that that would have been the time to express this fear, that would have been the time to point out to the Prime Minister that he did not really know what he was talking about, that he was going to lose the market for our fish by threatening the United States in this way.

Well, sir, I do not believe in threatening the United States; I do not believe in any of this nonsensical business of trying to appeal to the public in the way in which the Minister of Finance used to do when he was over here. "We will speak in no uncertain terms". We all know the way he whimpers in Washington now compared with the way he used to talk. But I do say, sir, that I do not believe that, having gone through what we have gone through in the interval between 1957 and 1961, there can possibly be any real danger of any such retaliation for this reason.

We have had the conference on the law of the sea at which the present government put forward the views that were outlined by the previous government, views on which both Canadian governments agreed, and I am glad they did agree because I think the position we put forward was in our national interest and it was a good thing that all Canadians should have agreed on that. We very nearly got everybody else to substantially agree on that at Geneva. With one amendment which, if we did act unilaterally, we would want to make as a condition of our action, we did secure agreement and got the co-sponsorship of the United States. If it becomes necessary to act unilaterally, I would not advocate for one moment that we should do so without prior consultation not only with the United States, but consultation with all those other powers, particularly those that are interested in fishing in the north Atlantic who were willing to agree to the convention on the law of the sea.

Perhaps, Mr. Speaker, you might call it five o'clock.

Mr. Speaker: Order. It being five o'clock, the house will now proceed to the consideration of private and public bills, the former having precedence, pursuant to section 3 of standing order 15.

Mr. Broome: Would the house consider continuing on with this measure from five to six? It might be possible to get unanimous consent.

Mr. Speaker: I am sorry; I did not hear the hon. member. Would he mind repeating his suggestion.

Mr. Broome: I was wondering whether the house might give unanimous consent to the hon. member for Bonavista-Twillingate continuing his speech?

Mr. Pickersgill: Much as I like to talk, I do not think I myself would be able to give any such consent.

PRIVATE BILLS

AURORA PIPE LINE COMPANY

The house resumed from Tuesday, April 18, consideration in committee of Bill No. S-2, to incorporate Aurora Pipe Line Company —Mr. Woolliams—Mr. Flynn in the chair.

On clause 1—*Incorporation.*

The Chairman: Shall clause 1 carry?

Mr. Martin (Timmins): Mr. Chairman, when this bill was last discussed, which I think was some two weeks ago, we had another excellent contribution by the hon. member for Vancouver South. Once again he demonstrated not only his considerable knowledge of this particular subject but also his courage in standing up to what has been certainly very severe criticism in maintaining the stand that he has taken throughout this whole debate, a stand which I believe should recommend itself to many more of the party which the hon. gentleman represents. I was very glad to see the hon. gentleman take this stand, Mr. Chairman. Unfortunately, examples of courage of this kind are not seen too often, and certainly the hon. member must be made of pretty good stuff to stick to his guns the way in which he has.

We see quite a difference between his actions, for example, and those of another hon. member of his party who did differ on one vote and then disappeared when the matter was finally dealt with in the house. This criticism of the hon. member has gone on not only in the house but outside of the house as well. There is an article by Mr. Raymond Rodgers, who writes the Ottawa letter in the April 1, 1961 issue of *Saturday Night.* He has some comments to make on this situation and believes that some middle course should be struck on matters of this kind. This writer feels that some compromise could be reached between bloc voting and party anarchy.

This bill appears in many respects to be completely contrary to the announced policy of this government, of many of the cabinet ministers and even the Prime Minister. It is rather strange, therefore, to find only the hon. member for Vancouver South who seems to really believe this policy expounded by his leader and the other members of the cabinet. Certainly he has been the only one who has demonstrated during this particular debate that he believes what he says and that he really stands by what he says. One or two other hon. members have expressed some doubt about the matter, but that is as far as they were prepared to go.

I feel it is very important that we in this committee bend every effort to try to reverse the alarming trend toward more and more United States control of the Canadian economy. We have seen it in many fields, and we see it now extending into the natural gas and oil industries. I feel, and the rest of the members of this group feel, it is high time some steps were taken by this parliament to recognize this trend and to reverse it. We see a situation in which present company treasuries are becoming the instruments for extending United States monopolistic control over so many of our industries.

I hasten to say, Mr. Chairman, that I am not anti-American. I certainly do not believe the hon. member for Vancouver South is anti-American. Two members of my family have become citizens of the United States. I have many relatives and many friends in the United States. I should like to state categorically that I am not anti-American. However, I am anti-American-control of Canada's destiny. I feel that Canada's destiny and Canada's industries should be controlled by people in this country who would have at heart first and uppermost the interests of this country. I do not blame the people of the United States for doing what they are doing in our economy. They would be silly if they did not. If our Canadian government is crazy enough to hand over our country on a silver platter to the United States industrialists, they would be crazy enough not to accept it.

As I mentioned before, the Prime Minister and many of our cabinet ministers have, on different occasions, made clear and strong statements condemning the former Liberal government for allowing this to happen. Things were going to change. Unfortunately, we did not see too much change and certainly the bill that is before us now represents no

change at all. This is another of the many unfortunate things we have seen in the past, and the bill is going to permit almost complete United States control of another industry. This has been the policy for the last 20 years, but certainly it has been accelerated as the years have gone by. We hear lots of fine talk, and then after the talk is finished we see a bill like this presented. Only one member of the government is prepared to stand up and fight for the very things for which the government professed to stand.

At the moment, Mr. Chairman, over one-half of our manufacturing industry is controlled from outside the country, mostly from the United States. Over three quarters of our mining industry is controlled from outside the country, again mostly from the United States. The bill which is before us is going to open one more loophole which will enable United States control to be exercised over our oil industry. This means that many of the decisions which are of vital importance to the Canadian people are going to be made by people who do not live in the country and whose allegiance and interests are not necessarily those of the Canadian people.

It could be argued, as has been done on many occasions here, that we need United States investment in Canada. We need United States investment for Canadian development. This could be true to a certain extent, but what we do not realize is that most of this so-called United States investment does not come from the United States at all. In studying the issue for 1959 of *U.S. Business Investment in Foreign Countries*, which is issued by the United States department of commerce, we find that less than 20 per cent of the money invested by United States companies in Canada actually came from the United States. This means that over 80 per cent of the so-called United States investment in Canadian industry has actually grown up right in this country. It represents income generated in Canada by industries controlled by people living outside of Canada. This money represents undistributed profits, depletion allowances, depreciation, all United States controlled and allowed to accumulate in Canada because of the softness of our tax laws. These tax laws are much softer than those of the United States which relate to the same situation. This, of course, is one of the reasons these investors are so eager to get over here.

What this points to is that we are now permitting the Americans to buy us out with our own money. Certainly this is something that should be of vital concern to all hon. members in this chamber. This is a trend that is going to have to be reversed. This is one of the reasons that you so often see growing up in this country a kind of anti-Americanism which is not really based on facts at all. It is not realized just what the true facts are. In the *Atlantic*, the issue of May, 1961, I find the *Atlantic* report on Canada. It has some interesting things to say about this feeling that is growing up in Canada. It states:

> During the last months of the Eisenhower administration, signs of a critical deterioration in Canadian-American relations were everywhere apparent in Canada. Canadians were simply in a mood to be unimpressed by anything attached to an American label, from the Bomarc missile misfires to the U-2 incident, the uproar over Cuba, and the curtailment of U.S. spending abroad. Yet this cultivated contrariness had almost nothing to do with the political complexion of the American administration. The greatest boom the country had ever seen was grinding slowly into a recession of major importance and the Canadians were taking out their frustrations on the suppliers of the capital—American industry.

Then it goes on to say this:

> That "American" is a dirty word in Canada cannot be denied. But it is used completely without animus or rancor, in the sense that "Colorado" is used with potato beetles, "Spanish" is used with influenza, and "German" is used with measles. In Canada, "American" only means where the problem comes from and it means no more than that. The problem itself is the end product of a series of economic developments of the last ten years. Like an instalment-plan addict without sales resistance, Canada has lived on cloud nine for the better part of that period. It borrowed frantically to finance its development. Then it borrowed to pay interest on its foreign debt. It sold off its resources and it mortgaged its future.

I might add this, Mr. Chairman. That appears to me to be a much better assessment of the situation in Canada than we often see in United States publications. However, I think this bill before the committee today is one very good sign of where this trouble lies and where it is developing. I think this has been pointed out clearly by the hon. member for Vancouver South. I also note again today that neither of the co-sponsors of this bill appears to be in the chamber. In spite of the eloquent plea of the hon. member for Vancouver South the last time we debated this bill, apparently we are still not going to receive any answers to the pointed questions he asked with regard to this bill.

In view of the oft-stated policy of this government and in view of the situation and the problems I have outlined here today, I cannot see how, in all conscience, hon. members of the House of Commons can give this bill passage until these questions are answered. I do not know why we cannot receive any answers today. I do not know whether the sponsors—I refer to the hon. member for Bow River and the hon. member for Winnipeg South—have lost all interest in this bill. Possibly, if the answers were

supplied to these questions that were asked by the hon. member for Vancouver South, hon. members would be of a different mind.

An hon. Member: One of the sponsors is here.

Mr. Martin (Timmins): I am glad to see that the hon. member is back again. Since he is back I wonder whether he is prepared to answer the questions that were asked by the hon. member for Vancouver South when this bill was debated a few weeks ago.

Mr. Chown: They have been answered. I think the hon. member for Vancouver South would agree to that statement. It would not change his position on the bill but I think he was satisfied with the answers I gave him and put on the record.

Mr. Martin (Timmins): The hon. member for Vancouver South has demonstrated many times in the past that he is quite able to speak for himself, and I have not observed him to rise in his place and admit to the fact that he is satisfied with any answers he has received. In fact, the last time I heard him speak here he was complaining bitterly because answers had not been given. I recall full well that he said the other day that the answers had been given when he was away. He also pointed out that while he might have been away during one or two debates on this bill, he had carefully searched *Hansard* and had failed to find any answers to those questions.

Certainly, those questions have not been answered to my satisfaction, regardless of whether or not they have been answered to the satisfaction of the hon. member for Vancouver South. Until those questions are answered, I certainly do not see how hon. members sitting on the government side can salve their conscience in passing a bill like this one in view of the policy that has been so often stated on behalf of their party.

The Chairman: Shall clause 1 carry?

Mr. Regier: Mr. Chairman, I last spoke on this bill a little over a month ago, namely on March 28. At that time I dealt with a plea that was made that every bill presented to the House of Commons was deserving of a vote. I expressed my opposition to that basic concept because I was elected under certain terms of reference, and the greatest term of reference, of course, is our rule book. If I feel very keenly about any matter, I consider it my obligation to use every rule available to me in order to prevent, if I can do so, the passage of a bill that I consider to be undesirable as far as the interests of the Canadian people are concerned. I also mentioned the fact that we are trustees of our national resources; that Canadian resources are meant for Canadians and for all mankind; that I did not subscribe to the idea of "finders, keepers"; that I am a keen believer in economic democracy as well as in political democracy; and that it ill behooves us to hand over to very selfish interests the distribution and the monopoly control resulting therefrom of one of our basic resources. I do not believe that this parliament ought to put itself into a position where it hands over the control of any one of our basic resources to any individual or any group of individuals.

I welcome, as do many other Canadians, the role that the private entrepreneur may have to play in the development of our nation. However, I do contend that the private entrepreneur of today must also primarily be responsible to the national interest and the interests of our whole society as well as to his own equity capital.

We have learned in the past that so very often this equity capital is very, very small indeed in relation to the assets, and more particularly in relation to the amount of wealth that is under consideration.

The hon. member for Vancouver South mentioned that in the Middle East, royalties on oil resources in Saudi Arabia are in the neighbourhood of 50, 60 or 75 per cent, and that in Alberta these royalties are only 12½ per cent. I should like to point out that, if my information is correct, the royalties in a country like Venezuela run as high as 85 per cent. I believe it is high time the Canadian people realized how little of the natural heritage of our land is really handed back to the people of our country.

I am also very amazed to discover, after having done a little bit of arithmetic, that this proposed pipe line is supposed to cost $3,784 per linear foot. To me this is a most amazing revelation, and I wonder just how much watered stock is contemplated in the proposal that is now before the House of Commons.

Like the hon. member for Vancouver South, I believe in a "Canada first" policy and I believe in the slogan "my fellow Canadians". However, like the hon. member for Vancouver South, I believe we need to follow our words with actions and deeds.

Pipe lines are like highways, railroads and air lines; they are a public utility, or they ought to be a public utility. As such they very definitely ought to be publicly owned. However, if the government of the day will not buy the concept that public utilities should be publicly owned, it ought to at least pay a little recognition to the fact that in days gone by this parliament recognized another company as being a legitimate company, a Canadian company in fact, and not a company

owned by outside interests. This company, in its submission at least, had consideration for the production of all the by-products in this particular field and it had consideration for the interests of the whole of Alberta.

The company now before us, as I understand it, is prepared only to skim off the cream and to let the producers of by-products go hang. I believe that the bill ought to be opposed on that one issue alone, if for no other reason. It ought to be opposed for the reason that this company is proposing to take only the cream and will ignore the interests of the whole of the province of Alberta.

It has been said that we ought to agree to the incorporation of this company and leave the rest of the decisions up to the oil and gas conservation board of Alberta and the national energy board. I believe this is very poor advice indeed, because as far as I am concerned I have no assurance that the national energy board or the Alberta board are going to act on behalf of all Canadians, or even on behalf of all Albertans, in regard to this particular problem.

I believe it is very poor advice to ask us to willingly delegate our responsibility in this matter to a board appointed either by the government of Alberta, in the case of the oil and gas conservation board, or to the national energy board.

I think that in this instance we who are representing the Canadian people have to make our own decision. As far as I am concerned, the decision is basically this. Apart from whether or not this ought to be a public utility, the decision is: are we going to permit a bona fide Canadian-owned company to proceed with its plans, or are we going to throw uncertainty into those plans by authorizing the organization of another company, a competing company which is almost in its entirety owned and controlled outside of our borders?

I believe we have a responsibility in this regard. It is a responsibility that ought not to be shrugged off on to the shoulders of either a board appointed by the Alberta government or a nationally appointed energy board.

I believe this is a matter that hits at the very essence of the campaign launched by the Conservative party at the time of the last election. I think any real conservative, with a small "c", ought to listen very carefully to the advice of the hon. member for Vancouver South. The hon. member is such a true blooded Conservative that I should almost like to welcome him into the ranks of the New party. I say this because if, as has often been stated, we need a realignment on the Canadian political scene, I feel that we really need a realignment not only as to right versus left, but also as to the rights of members of parliament to speak their own opinions versus the rights of a political party.

In the case of this bill I regret very much that it has obviously become a decision of the party caucus. The government of the day, as has regrettably happened in other days, has decided that any interest or any individual who has the money with which to present a bill to the House of Commons should automatically receive the endorsation of the party which happens to have the majority. I feel this is regrettable.

Mr. Grafftey: You sound like a third-rate professor.

Mr. Regier: I may sound like a third-rate professor, but I am attempting to excite the Canadian people into defending their own interests. I regret very much the attitude that merely because a company or an individual has the money to bring a bill up to this stage, it has to be endorsed by the government, the party with the majority, regardless of whether or not the government endorses the basic principles of the bill.

I am very happy to see the Prime Minister in his seat. I should like to commend to him the speech made the other day by the hon. member for Vancouver South. If ever there was a sincere endorsation of the right hon. gentleman's own appeal to the Canadian electorate in 1958 it was the speech made in this house on this particular bill the other day by the hon. member for Vancouver South.

Mr. Howard: I hesitated to rise because I thought the hon. member for Vancouver South had risen to speak, but I see he does not intend to intervene at this point. There are a number of important matters which have yet to be cleared up. I think that they might, perhaps, be attended to in a short while and then we would be able to proceed to assess the impact of other clauses of this bill on the nation's economy.

The hon. member for Vancouver South has on two occasions used words to the effect that this was a private bill and that consequently there was no party discipline or control attached to it, that members were free, in consequence, to speak and vote as they desired. The implication is, of course, clear, it being that on matters which are not private bills, private members on the government side are not free to vote and speak as they see fit but that they are instead required to speak and vote as the party machine dictates or decides.

Mr. Pallett: Apparently the hon. member was not in the house on a previous occasion when I very carefully outlined the fact that

the private members' hour belonged to members of the house and that there was no question of members being obliged to vote or speak in a particular way. The hon. member may not have heard me say that, or if he did hear he did not understand.

Mr. Howard: Well, if the private members' hour belongs to private members I wonder why the government insists on keeping its thumb on every bill put forward by a private member even to the point of insisting that such a bill should not be allowed to stand in accordance with the desire of its sponsor. Perhaps the hon. member for Peel was not here when that decision was reached by the Minister of Veterans Affairs and subsequently confirmed by the Minister of National Revenue who refused to follow the traditional practice of this house of allowing bills in the hands of private members to stand at the request of the private member concerned. That is certainly not in keeping with the concern for freedom and rights we have been led to think exist in connection with parliamentary procedure.

Mr. Browne (Vancouver-Kingsway): On a point of order, the hon. member for Skeena is talking about something which is beyond the scope of this bill, and because of that we cannot proceed to discuss other bills which are of interest to hon. members. If there is any abuse of the procedures of this house it arises from the kind of speeches made by hon. members in that corner of the chamber; speeches made in a repetitious manner which is entirely unnecessary.

The Chairman: I accept the point of order. I think it is clear. I would simply ask the hon. member for Skeena to return to the bill under discussion.

Mr. Howard: I will speak to the point of order, if I may. The hon. member for Vancouver-Kingsway has just castigated this house for making a decision in so far as the rules are concerned and for saying that on Tuesdays between five o'clock and six o'clock private bills shall have precedence and that public bills shall have precedence on Fridays. That was a decision of the house, and if the hon. member does not agree with it he should say so.

Mr. Browne (Vancouver-Kingsway): I just wanted you to be relevant.

Mr. Howard: I am being relevant. I was replying to a question which was raised by the government chief whip, the hon. member for Peel.

[Mr. Pallett.]

The Chairman: The hon. member will realize that he has given a sufficient answer and that he should now return to the bill under discussion.

Mr. Howard: Thank you for agreeing with me that the answer is sufficient. I hope the hon. member for Peel will also think it is sufficient.

However, because the hon. member for Vancouver South has expressed a difference of opinion—apparently his opinion differs from that held by other members on the government side—he has been accused in some circles—I think, wrongly and unfairly—of breaking party lines.

Mr. Broome: On a point of order. The hon. member for Vancouver South is not under discussion today. It is Bill No. S-2.

Mr. Howard: I am not discussing the hon. member for Vancouver South. I would not presume to do that in any circumstances. If we look at page 3765 of *Hansard* when Aurora Pipe Lines was under discussion on another day, namely April 18, we shall see some words spoken by the hon. member for Vancouver South right at the bottom of that page. In the last paragraph on that page, and then continuing over, the hon. member says:

> I am not going to labour the points which have been pressed in this committee before with regard to capitalization stretching into millions to build half a mile of pipe line. The testimony in regard to this particular phase of the operation has been gone over in this committee time and time again. But it would be well for hon. members to read the testimony given to the standing committee and try to find out exactly what is being attempted. If they do I think there will be more of them come around to my way of thinking. The chief government whip has said that this is a private member's bill and hon. members are free to vote for or against it as they so choose to do. That is true.

I am relating my observations to those remarks which I have just quoted and to the remarks of the hon. member for Vancouver South on an earlier occasion when he dealt with this same question of party control and whether people were free to vote for or against this particular bill. I am dealing with Aurora Pipe Lines in the light of the relationship between the ownership of the pipe lines company and the announced policy of this particular government in office, should this particular measure obtain the approval of parliament. I am dealing with the effect of that ownership upon our economy. This is where my remarks will lead.

As I said, I think the hon. member for Vancouver South has been unfairly charged with having crossed party lines. In my opinion he is the only member on the government side who really agrees with the Tory

policy; it is the other hon. members on his side of the chamber who have crossed the party line and who are in disagreement with the announced policy of this government as set forth in the speech from the throne in two separate places and as announced on a number of occasions by ministers of the crown who have spoken in this chamber to the effect that they intend to do everything possible to ensure a greater degree of Canadian ownership and control of industry in Canada. That is the party line, and the hon. member for Vancouver South agrees with it. But every one of his colleagues obviously disagrees with it if they support this particular bill, because the effect of the establishment of this company by virtue of this bill, having in mind the international financial relationships which exist between Hudson's Bay Oil and Gas Company, the parent company, and the United States-controlled Continental Oil Company will be greatly to strengthen the interests of another country in the development and use of a basic Canadian raw material.

In view of the internal financial relationship existing between the Hudson's Bay Oil and Gas Company and the United States controlled Continental Oil Company it is apparent that someone on the government side deviated from the concepts contained in the speech from the throne. I do not say this with any intent to derogate the speech from the throne or His Excellency, but do so in view of comments made by government members both in this chamber and outside, in regard to the fact that it is desirable for this country to develop Canadian ownership and control of our natural resources. In this regard I commend the hon. member for Vancouver South who apparently is the only hon. member holding true to the concepts therein contained.

We could go into discussions regarding the interpretation of the National Energy Board Act, but this has been done often in the past. I would suggest that it should be uppermost in our minds in order to protect the development of our national resources in favour of Canadian industry, economy and workmen, to curtail, as far as we possibly can, ownership falling in the hands of interests other than Canadian. This subject has also been discussed on many previous occasions, and information in this regard has been placed on the record by many hon. members, with the exception of hon. members belonging to the Liberal party who have not done so because of the tenderness that exists there in regard to pipe lines.

Mr. Peters: Once bitten, twice shy.

Mr. Howard: Information in regard to the ownership and control of this company has been brought to our attention. Canadian national ownership is something that should be kept in mind during any discussions we may have regarding bills of this type. I do not think it is in keeping with the best sense of direction in respect of the ownership and control of our industries and resources to authorize this particular company to become established with a capital and share structure as is now proposed, because it will be contrary to our voiced concepts in this regard. I suggest companies that are established by virtue of the passing of private bills in this house should have share structures enabling them to discharge their duties with the best possible result to Canadian people and Canadian economy, and should not be allowed to be in a position where, because of outside ownership, their primary concern is the serving of interests in another nation.

The hon. member for Winnipeg South, the co-sponsor of this bill, and perhaps the sponsor in lieu of the hon. member for Bow River, has placed quite a bit of information on the record which is contained in a letter I understand was addressed to him. This information appears at page 3766 of *Hansard* for April 18, 1961. This information was provided in answer, at least in part, to some of the questions asked by the hon. member for Vancouver South with respect to ownership of the company itself.

This information shows that on December 31, 1960 Canadian ownership of the Hudson's Bay Oil and Gas Company Limited was 2.96 per cent. This was apparently an increase in ownership from 1957. The increase in total shareholdings was the difference between 306,000 and 525,000. The 2.96 per cent represents an increase of approximately 75 per cent in ownership of shares held in Canada since 1957. When one considers that 67.77 per cent of the shares are held by the Continental Oil Company, controlled in the United States, the 2.96 per cent is a drop in the bucket, and quite inconsequential. I would suggest that the increase in the number of shares held by Canadians, which has taken place over this three year period, is also inconsequential.

A further letter addressed to the hon. member for Bow River was read into the record and appears at page 3428 of *Hansard* for March 28, 1961. It also dealt with the question of Canadian ownership. It is suggested in that letter that it is desirable that Canadian ownership in the Hudson's Bay Oil and Gas Company Limited be increased. This suggestion is then qualified by the statement that the officials would like to see this increase take place. Because this has been a

concern of the hon. members of this committee for some time I would suggest it is natural for those officials to make such a statement. There were further statements made but perhaps I should not trust my memory in this regard. I will read from the letter as it appears on page 3428 for March 28, 1961:

> At the present moment the company does not have any need for additional equity capital to finance its operations and accordingly, cannot make any definite prediction as to the timing or possibility of a further issue of treasury shares which could be offered to the Canadian public. However, we believe the past actions of the company in making a distribution of a portion of its capital stock back in 1957 before there was any strong public clamour for such action is the best possible kind of indication of the company's attitude and thinking on this subject.

While it may be outwardly desirable on the part of Hudson's Bay Oil and Gas Company to have this percentage of ownership by Canadians increased, I wonder what is the attitude of Continental Oil Company toward relinquishing its 67.77 per cent ownership? The desire of Hudson's Bay Oil and Gas Company is expressed in the letter, and it may be taken at its face value. Its desire, it says, is to have more Canadian participation in ownership but, according to the letter, this can only come from the issuance of additional shares from the treasury. This means that the percentage of Canadian ownership will not bear the same relationship as it does now.

If for argument's sake, they issue a certain number of treasury shares, then Canadians will have to buy in the same ratio as they now hold in order to maintain the same percentage of ownership in the particular company. If the amount of stock issued is increased and if the value of the stock increases because of activities on the stock exchange resulting in the turnover of shares—and the value of the stock could easily change the other way; but even if all this should happen—what about Continental Oil Company's 67.77 per cent ownership?

Is Continental Oil Company going to issue the shares that it already owns? Is it going to relinquish its 67.77 per cent control over Hudson's Bay Oil and Gas Company? Is it going to put on the market the shares that it holds? Is it going to sell them on the Canadian market through the Toronto stock exchange or some other exchange in order that Canadians may have the opportunity of purchasing them at whatever the going price may happen to be at that particular moment?

This is an important question. If it were not analysed from this point of view it may lead some people to believe that within 10, 15 or 20 years we may expect Canadians to have not 2.96 per cent ownership but 3.96 per cent, or 4.96 per cent ownership in Hudson's Bay Oil and Gas Company. But, without the action of Continental Oil Company, which has the controlling interest, in so far as offering or selling shares that it now holds is concerned, regardless of the number of Canadian shareholders, Continental Oil Company of the United States will still have the controlling interest in Aurora Pipe Lines through Hudson's Bay Oil and Gas Company. By that means, the ownership of the industry exploiting these resources will still, psychologically if for no other reason, be serving the interests of Continental Oil Company of the United States rather than the interests of the Canadian people.

These are questions which I think we must keep uppermost in our minds when considering whether this particular bill should be passed, or whether any changes can be made in it by the committee itself. I do not know whether it can, or whether it is desirable that it should. But I say that if we look at this from the principle established in the debate or by the speech of the hon. member for Vancouver South who I think did a commendable service for this country and the committee by taking the attitude he has and by using the approach he has, if we look at it from this point of view, from the point of view of serving Canadian interests and developing Canadian resources and owning an industry in Canada so that it serves the interests of the Canadian economy and the Canadian people we will be much better off in considering this bill than if we degenerate into—and I am guilty of this myself at times—lowering our sights and talking about relatively inconsequential differences of opinion as to what the national energy board should do or what the Alberta gas conservation board may do, has done, or will do.

This is the approach we must keep in mind. We must keep our sights on this particular question. I think if all hon. members will do that they will, as the hon. member for Vancouver South said—I think I can dig out his words very quickly as they appear on page 3765 of *Hansard* of April 18:

> If they do I think there will be more of them come around to my way of thinking.

This is what the hon. member for Vancouver South said. I am not using my own words. I would not advocate that hon. members on the government side come around to my way of thinking because I know what the immediate reaction would be. The hon. member for Vancouver South used this approach and made his appeal from the point of view of Canadianism, from the point of view of announcements in the speech from the throne and from the point of view of his own party's

public pronouncements. Perhaps they should do what I am attempting to do now, even though on some occasions I may have gone a little overboard in niggling differences of opinion about side issues.

Mr. Drysdale: The hon. member can relax; it is six o'clock.

Mr. Howard: So soon? I had so much to say. Mr. Chairman, at the suggestion of the hon. member for Burnaby-Richmond perhaps you would call it six o'clock.

Progress reported.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 7.30 p.m.

FISHERIES ACT

AMENDMENTS TO EFFECT GENERAL REVISION

The house resumed consideration of the motion of Mr. MacLean (Queens) for the second reading of Bill No. C-86, to amend the Fisheries Act.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, when we adjourned this debate at five o'clock I was dealing with the fears that had been expressed by the hon. member for Queens-Lunenburg (Mr. Crouse) to the effect that if we undertook to establish a 12 mile jurisdiction over the fisheries contiguous to our coast the United States might retaliate. I said that this was a legitimate consideration which we should take very seriously. I reminded the hon. gentleman that his leader, in peregrinating through the hon. member's riding in 1957, had promised to talk tough to the United States about this. At that time the hon. member, so far as the record shows, expressed none of the fears, none of the apprehension, that he expressed today. I suggest that perhaps that would have been the right time to do it.

An hon. Member: Why didn't you do it?

Mr. Pickersgill: Why didn't I do it? I was not campaigning to put a Conservative government into office in this country. I was not trying to do anything to deceive the people of this country, either.

Mr. Pallett: Not at that time.

Mr. Pickersgill: Nor at any other time.

Why is it so important that there should be jurisdiction for the government of Canada over the fisheries out to the 12 mile limit? I think the best reason is the very reason given by the hon. member for Queens-Lunenburg when he explained to us why it was that Canadian trawlers were kept by Canadian legislation 12 miles out from the Canadian mainland provinces on the Atlantic coast. It is very important, not only to give a reasonable opportunity to the trawler fisheries but also to give proper protection to the inshore fisheries.

I was rather astonished that the hon. member for Queens-Lunenburg should have said, as he did this afternoon, that the inshore fisheries did not seem to matter very much any more. I am afraid the hon. member would find it difficult to obtain much support for that view. I have here in my hand an extract from the *Chronicle-Herald* of Halifax for Saturday, April 29, three days ago. The article contains a report of a speech made by Dr. Henri Fougere, who is on the staff of the fisheries technological station at Halifax. In the course of his speech, as reported here, Dr. Fougere pointed out that as recently as 1959 the inshore fishery accounted for 78 per cent of the cod landed in the Atlantic provinces. This means that the inshore fishery is extremely important.

As long as we are going to consider, sir, that under international law we have to allow foreign draggers to come within three miles of our shore it is no longer tolerable to keep Canadians 12 miles away from the coast of Nova Scotia. It is an indefensible position. It has been an indefensible position for some time. The only reason it has been allowed to continue—I am not blaming the government for this—is that the government has sought a solution of this problem by international means which would give the government jurisdiction over all trawlers, both foreign and domestic. I do not believe it would be reasonable to keep all trawlers out beyond the 12 mile limit everywhere along the coast. I do not think it would be reasonable, but I am not an expert. However, in those areas in which there is a flourishing inshore fishery, it is a shocking thing to have gear torn up by draggers, either foreign or domestic. This is the situation, and the inshore fishery is being ruined by these draggers.

If we had jurisdiction domestically, if we Canadians could decide where and under what circumstances fishing could take place, then there is no doubt but that we would be able to reach some reasonable *modus vivendi* with those countries such as the United States, Portugal, Spain and France which historically have fished in these waters, and perhaps even some of the newer countries, for a 10-year period of phasing out such as was defined by the proposal the United States co-sponsored. I would think,

sir, there should be support for the suggestion which was made by the Leader of the Opposition (Mr. Pearson) a year ago to the Secretary of State for External Affairs (Mr. Green) and to which the Leader of the Opposition referred again this afternoon, that we should seek agreement among the 54 nations that voted with us and the United States for our joint resolution. We should do so quickly, and should not dawdle about. Having reached an agreement with them, then we should do what many another country has done successfully, Iceland being the most recent example, and make a unilateral declaration that we consider our fisheries jurisdiction extends out to the 12 miles, and that we are going to endeavour to enforce it.

If we cannot get agreement among the 54 nations, then we should go to the half dozen nations that do fish in the northwest Atlantic to see if we can get a reasonable understanding among them, as the hon. member for Humber-St. George's (Mr. Batten) suggested a few moments ago. If that is not possible then surely if the 150,000 people living away up on the edge of the Arctic circle in Iceland can assert their sovereignty against the majesty of the Britannic crown surely a great country like Canada is not going to be afraid to protect what is our patrimony, what is our birthright, and what brought our ancestors to this country in the first place, the fishery of the new world.

I cannot believe, sir, that the United States government, which co-sponsored the proposal in Geneva, would repudiate that action. I grant that the United States has had historic rights. I am one of those who believe that we should always seek understanding with the Americans. I do not believe in making idle threats or in talking in no uncertain terms. I think there is a great deal more to be said for talking about these matters in certain terms, in moderate and calm tones and in sweet reasonableness wherever possible. In the free world today it seems to me that we have so many things in common and are faced with such great hazards that I would not feel that determined, reasonable and quiet negotiators would have any great difficulty in reaching agreement with the United States about this matter.

An hon. Member: Why did you not do it before 1956?

Mr. Pickersgill: The hon. gentleman, I think, asked why we did not do it before 1956. We started on a course in 1956, as my hon. friend the Leader of the Opposition pointed out this afternoon. We started in 1956 on a course which has been followed precisely by the present government. Indeed, we had an example—and perhaps I have been provoked into saying this by the hon. gentleman—of the Secretary of State for External Affairs (Mr. Green), at the very opening day of the session a year ago, producing this little booklet on the law of the sea and distributing it to all of us, so confident was the hon. gentleman that he was going to be able to accomplish what the Leader of the Opposition had started when he was in office. It was perhaps a little like the Columbia river matter. Perhaps hon. gentlemen anticipated their success a little before it had arrived. In any event, they were taking the absolutely essential first step. Obviously, the right thing to do is to get international agreement, if possible. I commend the government for following that course. I commend them for the zeal and vigour with which they acted at Geneva. The only thing I cannot commend them for is that they did not succeed.

I am not blaming them for that. I just say that I cannot commend them for it because they did not succeed. We all regret that fact but we must face it. This is a matter really of life or death to the oldest industry in Canada, the first of all our industries. It seems to me that it needs to be pursued with a good deal more vigour than that with which it has been pursued in the last year since the failure at Geneva.

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): Mr. Speaker—

Mr. Howard: Are you a fisherman too?

Mr. Morris: —it is always refreshing, although not necessarily convincing, to hear the hon. member for Bonavista-Twillingate (Mr. Pickersgill) admonish the rest of us to sweet reasonableness. I must say at the very outset that I thought that his remarks were a great deal more reasonable than were those of some of his colleagues. Indeed, in some of the remarks he has just made he was in fact giving the answer to those on the Liberal side who spoke earlier this afternoon. I am glad for the hon. member for Bonavista-Twillingate. I was a little bit concerned about him yesterday when on agricultural rehabilitation and development he got himself out pleading the case of the western wheat grower. I suppose today, having thought the matter over, he decided he ought to get back closer to the hearts of his constituents.

I had not intended to speak on this matter at all. The hon. member for Skeena (Mr. Howard) asks me whether I am a fisherman.

Mr. Howard: A fisherman too.

Mr. Morris: The answer to that question is that I am no more or no less a fisherman than is the hon. member for Bonavista-

Twillingate. Indeed, the hon. member for Bonavista-Twillingate is not now even what he described himself to be in his last nomination papers. He is no longer a ship owner and ship operator.

Mr. Pickersgill: Are you sure?

Mr. Morris: The hon. gentleman asks me from his seat whether I am sure. Of course I am not sure because all I have to go on is his own word.

Mr. Pickersgill: There is more than one ship on the sea.

Mr. Morris: I wish to speak very briefly on one of the principles—for that is what it is—in the bill now before us and so defined by the hon. member for Burin-Burgeo (Mr. Carter) who led off in opposition in the debate on this item earlier today. I refer to the item dealing with the 12 mile limit and the three mile limit.

Hon. members who were in the chamber this afternoon may now recall that during his remarks I asked the hon. member for Skeena, who had recommended unilateral action to enforce the 12 mile limit, how he would propose to enforce this 12 mile limit. I am glad to see that the hon. gentleman has remained in his seat throughout the debate because the issue of enforcement has been neatly avoided, in my opinion, by hon. members who have spoken here this afternoon. Indeed, the Leader of the Opposition—a man who has experience in international diplomacy and who knows that much more than fishing is involved in the breadth of the territorial sea—said that, in his opinion, I had chosen a very poor symbol when I inquired about enforcement.

For example, I asked what the hon. gentleman would do if a Russian trawler sought to enter the sea. The Leader of the Opposition said that the hon. member for Halifax —if I am paraphrasing him correctly—is apparently not aware that the Russian area is 12 miles. I do not like to disappoint the Leader of the Opposition. In the field of international affairs there are vast areas of knowledge which are not in my possession. However, it just happens that I did know that fact. Indeed, I think I knew a little bit more about it than the Leader of the Opposition put on record as his knowledge today. There appears to be confusion in the house when we speak about territorial limits and fishing rights limits. The position of the Union of Soviet Socialist Republics is identical wth that which it commenced in Czarist days. Since 1909 the Soviet union observed a 12 mile territorial area.

Mr. Pickersgill: The Soviet union had not come into existence then.

Mr. Morris: I said earlier that the Soviet union had followed the same principle as that initiated by the Czarists in 1909. This was to define an area of 12 miles as the territorial sea.

Hon. gentlemen who are provoked or inspired by today's debate could consult the publication of the Society of Comparative Legislation and International Law available in the library of parliament. It was consulted earlier in this debate by the hon. member for Humber-St. George's (Mr. Batten). I have no doubt that other hon. gentlemen have seen it. It gives a synoptic table of national claims to the breadth of the international sea and the territorial sea. Therein they will find, as the hon. member for Humber-St. George's listed today, claims varying from three miles to two hundred miles. But this was not the Canadian position. If I understand the matter aright—and in responsible representation of my constituents I hope I understand it aright, and I have thought that I did so—at the Geneva conference the Canadian position was that we should like to see enshrined a three mile territorial sea.

Mr. Pickersgill: Six.

Mr. Morris: If the hon. gentleman will desist from interrupting me I will presently come to the full story. I quite accept the proposition that it was ultimately resolved at six miles, but I should like to tell my own tale about this. The position taken originally by the Canadian delegation was for a three mile territorial sea, but with an additional nine miles in which the coastal state would have exclusive fishing rights.

We already have rights, some of them extending beyond three miles, for other activities of government. I think we claim customs jurisdiction out to nine miles. It may be that my recollection is correct and we have customs jurisdiction out to nine miles. Various nations have claimed jurisdiction for sanitation, fiscal policy, immigration, the breadth of the territorial sea and fishing areas.

The original Canadian position at Geneva was for a three mile territorial sea and a nine mile exclusive fishing area. The United States' position was not this at all. The compromise position was a six mile territorial sea and a six mile additional sea, which the Canadian delegation would have accepted for exclusive fishing rights, but the United States' position would have confined this to a non-exclusive fishing zone wherein would be granted the so-called traditional rights in perpetuity.

Indeed, this was carefully explained to the house on July 25, 1958, by the then minister

of northern affairs and national resources. I will cite what the minister is reported as having said as reported at page 2683 of *Hansard* of the House of Commons for that date:

> —in the final analysis the central issue before the conference was not whether there should be a fishing zone but whether it should be subject to existing traditional rights as proposed by the United States or whether it should be exclusive and without impediment as proposed by Canada.

So in respect of the area of territorial sea Canada has not laid claim to a 12 mile area. Yet today, if I paraphrase the remarks of hon. members correctly—and I seek to do so—we heard the hon. member for Skeena recommending unilateral action. The hon. member for Trinity-Conception (Mr. Tucker) said, if I heard him correctly, that all that was required was courage to go out to 12 miles.

The hon. member for Humber-St. George's (Mr. Batten) was more modest and said that we ought to seek some understanding with the 54 nations who voted with us.

Mr. Batten: I said nothing about territorial limits.

Mr. Morris: That is quite right; the hon. gentleman did not say anything about territorial limits. I accept that. I did not identify him or any hon. member as being individually confusing and confused about this matter. I am simply saying that in the debate this afternoon, and I can become more vigorous about this—

An hon. Member: Please do.

Mr. Pickersgill: Go ahead.

Mr. Morris: —hon. members talked about unilateral action towards the development of a 12 mile limit but desisted from saying how it would be enforced.

It is all very well to say that all that is lacking is courage. It does not take any courage to be a braggadocio. It often takes courage to be reasonable and to take reasonable steps. I am sure the hon. member for Bonavista-Twillingate will forgo in patience the reading of his newspaper to hear the reiteration of that sweet word describing a characteristic which he so often himself admonishes us to manifest. Reasonableness may be a more sure and courageous ground than what is described as courage. In the press of other business it is easily forgotten that at Geneva we did not have the support of the United Kingdom, the United States of America—which the hon. member for Bonavista-Twillingate says we should now seek to obtain—nor did we have the concurrence of China, France or the U.S.S.R. Indeed, I believe that was the first occasion upon which a simple majority had been carried over the objection and negative vote of five permanent members of the United Nations security council.

The question that I asked this afternoon still begs an answer. How would we enforce a 12 mile limit? The hon. member for Humber-St. George's has referred to a Latin American nation which lays claim to a 200 mile limit. At the time the hon. member looked at me quizzically because I was shaking my head, by which I intended to convey to him the impression that he surely did not mean to suggest that this was a valid or enforceable territorial sea. It is violated, if one may use that phrase; it is certainly entered, traversed and countertraversed many times every day because other nations do not accept it as the territorial limit.

Mr. Batten: But they declared it as such.

Mr. Morris: They have declared it as such. The hon. gentleman and his colleagues, if I understand them aright, would have us declare a 12 mile limit for Canada but they will not answer the question of how to enforce it. What purpose is served by legislating for domestics and nationals a law which cannot be enforced?

This afternoon I used the example of a Russian trawler. I do not wish to pursue that because in other matters affecting marine life and the conduct of other fishery in the high seas we are making, and we hope we will continue to make, good progress with Russian negotiators. We are all responsible here, even private members, not to exacerbate international relations which are apparently progressing to the good service of our people.

With regard to the Icelandic experiment in which Iceland declared a 12 mile limit, I was interested in the interpretation put upon this by several hon. gentlemen this afternoon. They said this proved that you could enforce a 12 mile limit. With all respect to their opinion, the Icelandic situation has appealed to me more as a case which proved, not that you can get agreement but that you almost cannot get agreement.

Is there anyone in the house, least of all the Leader of the Opposition, who will say that dealing with the government of the United Kingdom, which has a tradition of fair play reasonableness and justice running back centuries, if you are Icelandic, is like dealing with the U.S.S.R.? If it is, it has not been apparent in years of negotiation to which all of us have been witness.

I conclude by drawing the attention of the hon. gentleman to the convention on the territorial sea and contiguous zone which was arrived at in Geneva. Article 14, says in part:

Subject to the provisions of these articles ships of all states whether coastal or not shall enjoy the right of innocent passage through the territorial sea.

Thereafter it says:

Passage of foreign fishing vessels shall not be considered innocent if they do not observe such laws and regulations as the coastal state may make and publish in order to prevent such vessels from fishing in the territorial sea.

That is very clear. It defines the innocent passage of a fishing vessel for the purpose of our debate. But the territorial sea in Canada extends for three miles, and the most we ever tried to achieve was six miles, not 12. As to the additional six miles, we came to no effective result because of a divergence between the position taken by Canada that the additional miles should be reserved exclusively for our nationals and the United States' contention that regard should be paid to the traditional rights in perpetuity of other fishing nationals. The convention says:

The coastal state may take the necessary steps within its territorial sea to prevent passage which is not innocent.

Then, further on:

The term "high seas" means all parts of the seas that are not included in the territorial sea or in the internal waters of a state. The high seas being open to all nations, no state may validly purport to subject any part of them to its sovereignty.

The burden of what I wish to say is this. The anomalous situation which has prevailed since 1952—and I wish to arouse no partisan disaffection with regard to this matter—has, of course, given rise to criticism. The hon. member for Bonavista-Twillingate said correctly that the proper course to have taken was to have sought international agreement. The position I take is that this is still the correct course of action, and that the use of the term "unilateral action" is—and this is the harshest word I shall speak tonight, for want of a better—grandstanding. Here is a situation which presents a great anomaly. Foreign vessels are fishing up to three miles of the Canadian coasts while Canadians are required by statute—by the Fisheries Act enacted under a previous administration—not to come within 12 miles for the purpose of fishing, and this is the situation which has been left until now for amendment by the present government. Canadians are required by statute to stay out to a limit of 12 miles.

Hon. gentlemen opposite know that this angers, irritates and arouses Canadian fishermen. What do they offer as a solution? The grandstand technique of saying that Canada could and should unilaterally move out to 12 miles. Well, the test of that is whether it can be enforced.

Mr. Carter: Are we enforcing the three mile limit?

Mr. Morris: We are enforcing the three mile limit because it is internationally accepted.

Mr. Carter: We are not enforcing the three mile limit. All you are talking is nonsense.

Mr. Morris: All my talking is not nonsense, but we shall leave that to other judges. The internationally agreed territorial limit has been three miles, and hon. gentlemen well know that. We are enforcing the three mile limit upon other nationals. What I am trying to say is this. If you say that unilateral action to 12 miles is a desirable course, how do you propose to enforce it? Would you enshrine in statute form a law which could not be enforced? To limit the breadth of the territorial sea, important as that is to our fisheries, is not solely confined in its significance to that industry. It has important defence repercussions, and hon. gentlemen well know, or should well know, that the U.S.S.R. at Geneva let it be known in informal talks that it would stand firm on a 12 mile territorial sea because there are things which cannot be done in a 12 mile territorial curtain of sea that can be done between 12 miles and three miles off the coast.

Earlier today I put a question to the hon. member for Skeena. We shall come to this matter again when we consider section 55 of the Fisheries Act and the amendments thereto. I asked the hon. member: how do you propose to enforce this? If a Russian trawler or another foreign trawler did come within 12 miles, what would you do? How would you be prepared to enforce it?

Mr. Batten: What do you do inside the three mile limit?

Mr. Morris: We enforce the Canadian domestic law upon those who are proper subjects of Canadian law, that is, upon nationals of Canada.

Mr. Carter: Do you not enforce it on foreign boats?

Mr. Morris: We enforce the three mile limit because it is generally accepted internationally.

Mr. Batten: You will have to tell it to somebody else.

Mr. Morris: I may have to tell it to somebody else. The point is that we are not discussing the three mile limit now. We are discussing a 12 mile limit. The solution put forward by hon. gentlemen opposite is to go out to 12 miles but nowhere in this grandstand play has one of them proffered a definite assertion that the opposition, if it had the responsibility, would take the responsibility for enforcing the statute should

some other national come in and call our bluff. The proof that the opposition would not do it resides in the fact which was simply and correctly stated by the hon. member for Bonavista-Twillingate.

If hon. members who sit with him will read his remarks tomorrow they will discover that he has pulled the rug from under them. He said quite properly that the opposition, when they formed the government, had sought an international agreement. They had the opportunity then to go to 12 miles and the action they took is generally known. It is no use at all telling our fishermen we can enforce a 12 mile limit unless we mean to enforce it, and this cannot be done unless we are prepared to go to the extremities of enforcement.

Mr. Carter: Have we not enforced it on our own people?

Mr. Morris: It is always a matter of perplexity to me to understand what transpires in the hon. gentleman's mental apparatus.

Mr. Carter: That is mutual.

Mr. Morris: I may say this to the hon. gentleman. During his remarks, when I asked him a question he very discourteously told me that I could make a speech later on. I should like to be able to make that speech, if the hon. member does not mind. However, if he wishes to engage in a debate there will be one winner and one loser.

It would be widely acceptable to my fishermen if we could get out to 12 miles. But how do you get out there? How do you enforce it? Would you ask the Minister of National Defence (Mr. Harkness) to send Royal Canadian Navy forces to fire shots across the bows of foreign vessels? The United Kingdom did this in the waters off Iceland. Are we prepared to do it? What I am suggesting is that the unilateral action which was recommended here, except by the hon. member for Bonavista-Twillingate, is not the right solution.

Mr. Pickersgill: I am sure the hon. gentleman is not consciously seeking to misrepresent what I said. He has repeated that statement two or three times but it does not happen to be a fact. I said if we could not secure any kind of international agreement we should make a unilateral declaration, and I stand by that statement. I would prefer that the hon. gentleman would not go on, by repetition, appearing to create the impression that I said something different. I think that all other courses should be taken first.

Mr. Morris: I did not intentionally try to misrepresent the hon. gentleman. Today he made one of his few lucid speeches, but it is usually difficult not to misrepresent him. I agree that he said every course should be explored but, in saying that, he did not agree with his fellow hon. members. The other hon. members wanted unilateral action. The hon. member for Trinity-Conception (Mr. Tucker) said all that was needed to go out to the 12 mile limit was courage. If that hon. gentleman really meant that, let us see him get behind a gun shield and enforce it, because if he does not mean to enforce it, it would not be good law and should not appear on the statute books.

Mr. Pickersgill: Mr. Speaker, I wonder whether the hon. gentleman, before he, in a manner of speaking, takes his seat, would permit me to ask him one question? The hon. gentleman talks about grandstand plays. Would the hon. gentleman say whether, when his leader was travelling around Nova Scotia promising that if he got into office he would establish the 12 mile limit, he described that as a grandstand play and asked the right hon. gentleman how he was going to enforce it?

Mr. Morris: Mr. Speaker, I am not in the habit of defending the Prime Minister (Mr. Diefenbaker) against a man who was born in Winnipeg and now sits in a Newfoundland seat in respect of which he has not even had a nominating convention.

Mr. Pickersgill: Mr. Speaker, I was not born in Winnipeg.

Mr. Horner (Acadia): Lucky old Winnipeg.

Mr. Deputy Speaker: I must inform the house that if the hon. minister speaks now he will close the debate.

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I intend to review for a few moments some of the contributions that have been made to the debate this afternoon. Before doing so I would like to point out that as far as the action in respect of amending the Fisheries Act is concerned, we have seen over the last year and a half to perhaps two years, a classic example of an age old gambit indulged in by the opposition. This is perfectly within their rights so to do. I have no objection to those members of the opposition doing so at all. The tactic is, of course, to try to pressure a minister, by repeated questions and suggestions from time to time, into making premature statements with regard to government intentions, or ill conceived statements on government policy so that if, because of events which subsequently transpire, the government is not able to make good in regard to the statements the opposition will be in a position to belabour them.

I have been asked time and again what we intended to do about amending section 55 of the Fisheries Act which, in certain areas of Canada, the maritime provinces, requires large Canadian trawlers to stay 12 miles from our shores. Intermingled with this question have been a great many questions about the law of the sea, a subject which is actually entirely different. Hon. members are out of order in discussing it on this particular bill, although it is closely related. I have no apology to make when I say that it has been my habit, perhaps partly from training, and partly by nature, to be rather reticent when questions of this sort have been put to me in the past.

The second move open to the opposition is an attempt to guess what government intentions are. Having satisfied themselves that they have guessed, members of the opposition then announce as their own policy what they think the government is about to do and, therefore, try to claim credit for it. This is all strictly within the rules but is, of course, a strategy as old as oppositions are. I am not finding fault with these tactics at all but I would not want those members of the opposition to think they have discovered some new tactic in this regard. I hope they have not deceived themselves into thinking they have succeeded in creating the illusion that they thought of these tactics first, and that they forced the government into panicky action practically against its will, because nothing could be further from the fact.

A number of hon. members expressed the opinion this afternoon that the government was panicked into suddenly taking action to amend the Fisheries Act because a private bill was introduced on March 22. I do not want to detract in any way from the initiative of the hon. member who introduced that bill. However, I would not like to let him or anyone else in the opposition think that these were the facts of the matter, that this proposed bill to amend the Fisheries Act was thrown together in panic by the government.

I should like to assure you, Mr. Speaker, and all hon. members, that these amendments are put forward now as a result of long study, the accumulation of knowledge with regard to the deficiencies of the present act, and as a result of complaints that have been made on the one hand by individuals of the public who felt they had been discriminated against and, on the other hand, by the staff of this department which has from time to time reported that, because of the way in which the act was drawn enforcement was from time to time frustrated.

The Leader of the Opposition cited, as proof of the theory presented, the fact that this bill was not mentioned in the speech from the throne. I think it is common knowledge that a government is not obliged to mention, in the speech from the throne, each and every bit of legislation which it proposes to introduce in a session of parliament. The fact that this bill was not mentioned therein does not in fact prove anything. I find this exercise on the part of the members of the opposition quite amusing because of my familiarity with it, having sat in the opposition perhaps longer than most of the hon. members now there. As I have said, these are not new tactics at all. I would suggest, however, with the passage of years the present members of the opposition may develop more skill in this regard so it will not look so obvious.

Mr. Pickersgill: Methinks the lady—or in this instance the laddie—doth protest too much.

Mr. MacLean (Queens): Mr. Speaker, I do want to say that I welcome the implied support for this bill because, after all, imitation is perhaps the greatest means of flattery. I am sincerely appreciative of the fact that most hon. members, regardless of where they sit in this house, although they have naturally had certain reservations and criticisms, generally conceded that this was a step in the right direction. It may be grudging support, but nevertheless I accept whatever measure of support they see fit to give the bill.

I hesitate to say this because I fear it might sound condescending but I do not mean it in that sense at all. I was in opposition for quite a while. This business of trying to guess what the government is going to do and then jumping on the bandwagon is quite a fine tactic if it is executed with finesse, but in doing this an opposition member is in danger, when he jumps on the bandwagon, of reducing himself to the status of the fly in the Aesop fable who sat upon the axle tree of the chariot wheel and said, "What a dust I do raise". I certainly would not want that to happen to any of my hon. friends in the opposition, but I think we should look at what are the facts of the matter.

Last year on the estimates, when the question was raised of amending the Fisheries Act with regard to the insufficiency of penalties for permitting the pollution of waters to occur—I believe this was raised by the hon. member for Vancouver South (Mr. Broome) —I said that this was under careful examination with the idea of bringing the act up to date in that regard. Then the hon. member for Skeena (Mr. Howard) raised the question whether the bill of rights when passed would be in conflict with the Fisheries Act. I remember I told him on that occasion that since the bill of rights had not passed this was a hypothetical question and therefore I had nothing further to say except it was the

concern of my department to see that there was no conflict in the legislation which I had the responsibility of administering. There were other questions. I was asked by the hon. member for Queens-Lunenburg (Mr. Crouse), I believe, whether section 55 of the Fisheries Act would be amended, and I answered him on that occasion by saying that the problem was being studied even then, and further back than that, which is the fact.

We come now to March 22 of this year when the private bill was introduced. Hon. members suggest that this was what prompted the government suddenly to introduce this amendment to the Fisheries Act. I should like to point out that on March 14, eight days before the bill was introduced, I had this to say in the house with regard to amendments to the act, as reported at page 2963 of *Hansard*:

> I am hopeful that it will be introduced. We have been working on suitable amendments to the Fisheries Act for several months and I am hopeful that we shall have a bill to bring before this session of parliament.

As I said, I have been reticent about making flat statements as to what is going to happen in the future. I think it cannot be said that this was something that was thought of after March 22, when I said on March 14, as reported in *Hansard* that we had been working on this very amendment for many months. I do not intend to belabour the point, but I want to clear up the situation and give credit where credit is due, namely to the officials of my department who are concerned, as I am myself, with protecting the resources of the sea and making sure that those renewable resources are protected so that those engaged in the fisheries will in perpetuity have the opportunity to win their livelihood from those resources of the sea.

Various members devoted a great deal of time to the question of territorial waters. As I have said, strictly speaking, I think this question is out of order so far as this particular measure is concerned and I do not wish to impose on the house but I should like briefly to say that the question of the law of the sea affects many departments of government. Besides the Department of Fisheries, it affects customs, transport, defence and many others. Therefore, these various interests are brought together in the Department of External Affairs in dealing with other countries. Because the law of the sea is an international problem therefore it is the responsibility of the Department of External Affairs.

I should like to mention at this point that an excellent job was done through external affairs by the Canadian delegation at the two conferences on the law of the sea in Geneva. We almost won success; we just missed it by one vote.

A great deal has been said about the Prime Minister (Mr. Diefenbaker) and his actions during previous election campaigns in saying that we will stand up to the United States and see to it that the rights of Canadian fishermen are protected out to 12 miles. I should like to point out that this government has gone about this problem in a logical way. We made an attempt to seek international agreement on the widening of the territorial limits and an exclusive fishing zone contiguous to it, and gained a great measure of support from the nations of the world in this regard and had the success of eventually having the United States come to common ground with us as far as this problem is concerned.

As I said, this is the responsibility of the Department of External Affairs and I do not presume to speak for that department, but I can say that the government is continuing to address itself to this problem with undiminished zeal. The fact that the anomalous situation which has existed for years has increased in severity under changing conditions because of section 55 of the Fisheries Act has no direct connection with the wider problem. The fact that this anomaly is now being removed by this measure does not indicate in any way that the other problem is hopeless, or that there will be any diminished effort to gain international agreement with regard to a wider territorial limit and/or a contiguous, exclusive fishing zone.

This particular problem of our own larger trawlers not having the same privileges as foreign trawlers in certain areas is a domestic problem which is being rectified by our own legislation, as it should be. The fact that this is being done does not imply, as the Leader of the Opposition (Mr. Pearson) seemed to think, there has been no progress in the field of achieving agreement in the wider field of international affairs.

A great many members suggested that the thing for us to do was to take unilateral action. The Leader of the Opposition and some other members seemed to think that the situation had now got to the point where this was the only course left open to the government. That is not the case. I want to assure the house that no avenue will be left unexplored, no stone unturned, in order to secure action which will result in greater benefits for Canadian fishermen in the waters adjacent to our own coasts.

However, this matter of just declaring unilaterally that we are widening our territorial waters or exclusive fishing zone, is not as simple as that. We have to be able to establish sovereignty if we choose to follow that

course. This is not something that is easily accomplished if other nations do not accept the stand taken by Canada. I think there is still good hope of international agreement being achieved in this field, at least among a major group of nations.

The Leader of the Opposition deplored the fact that there was no amendment to this act to declare unilaterally we were widening our territorial waters. I should like to point out that this act is concerned only with the regulation of the fisheries. I should like also to add that the act of parliament which gives the government power to declare what are and what are not our territorial waters for fishing is the Coastal Fisheries Protection Act. The government has power under that act, if it deems wise so to do, to declare certain waters to be territorial waters for the purposes of fishing without any further legislative action. If the government proposed to declare a zone for exclusive fishing rights, that might be a different situation and might require some legislation or amendment to the Coastal Fisheries Protection Act.

I do not intend to say anything more on this subject because, Mr. Speaker, I feel that strictly speaking I have been out of order for the last 10 minutes or more. I think Your Honour, in fairness, would not call me to order since other members who preceded me have been given considerable latitude in connection with this matter.

Several hon. members expressed some doubt about the wisdom of the right of seizure of fishing equipment by fisheries officers. At least one hon. member said that it was not at all reasonable that fisheries officers could seize equipment and then the minister be under no obligation to return it for 90 days if no legal proceedings were taken in the meantime. I should like to point out that at the present time there is no time limit. I believe that everyone will agree that a limit of 90 days is an improvement over no limit at all.

I should like to point out further that this 90 days is the maximum in practice. If equipment is seized, legal proceedings are taken as quickly as possible. If and when this amendment to the act is passed, it will be for the courts to decide whether or not the equipment is forfeited. I think this will be a great improvement on the present act under which the minister and the fisheries officers have very wide arbitrary powers so far as the seizure and forfeiture of equipment is concerned.

The fact remains, however, it is necessary under some circumstances to seize gear, especially gear that is illegally set. If it is left alone, it continues to take part in the breaking of the law. If it is not seized, the law will continue to be broken until the person responsible comes back to recover not only his gear but his illegally caught fish after the fisheries officer has gone. In many cases, this equipment is part of the evidence and it is impossible to convict without it.

I want to add, though, that the law is designed to protect the vast majority of Canadian citizens who are law abiding. I am convinced this act will place no hardship on them. It is directed against people who are breaking the law. I might say that ignorance of the law is no defence. The purpose of the seizure of equipment is to protect the law abiding fisherman and the resources upon which he depends for a livelihood so that his efforts to earn an honest living will not be sabotaged by those who would, for their own quick gain, destroy the resources on which the majority of the people depend. I am proud to add that the vast majority of fishermen agree with this point of view. They insist on strict enforcement of the law when they see it being flagrantly broken by someone who has no regard for it.

I might say, too, that this power of seizure does not necessarily mean forfeiture. Whether or not the equipment is to be forfeited will be decided by the courts. If it is forfeited, that may be part of the penalty or the court may order the equipment returned. In this way, as one hon. member expressed it, the punishment will fit the crime. That is not the case at the moment. In many cases now equipment is seized but the court does not order that it be returned nor does the court order that it be forfeited. Often the guilty person is fined. In some cases the fine is small and is imposed in anticipation of the fact that the equipment that has been seized will be forfeited by order of the minister. The party who was found guilty of an offence then appeals to the minister for the return of his boat, truck or whatever it happens to be. He cites the small fine which was imposed as an indication that the infraction was regarded as a minor one and, therefore, he should not suffer this additional punishment. These matters will now be considered by the courts and if forfeiture is ordered, it will be ordered only as part of a larger penalty or it may be the whole punishment.

I think it goes without saying that it is not the purpose of this act or of the Department of Fisheries to make life difficult for those who try to abide by the law. If the law is broken inadvertently on occasion we try to temper justice with mercy, so to speak. I think the situation is as fair as it is possible to make it.

There is little I want to add, Mr. Speaker, except to say that many of the amendments

which we now propose to this act are introduced so that no penalty will be suffered by anyone until a determination has been made as to whether or not he is guilty of any infraction of the Fisheries Act or the existing regulations by the due process of law.

In that way we hope that the interests of innocent parties will be protected to a greater degree than they have ever been protected before. These amendments are not perfection but I am convinced that they are a vast improvement on the Fisheries Act as it now exists and has existed for a great many years.

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

Some hon. Members: Question.

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

On clause 1—"*Fishing vessel*".

Mr. Carter: Mr. Chairman, it is usual for a minister, when winding up the debate on his bill, to spend the greater part of his time replying to criticisms that have been made on second reading. This evening the minister occupied at least one third of his time, I would think, in trying to refute an argument, which was put forward not by me but by some of my colleagues, that this bill had been hastened because of another bill which I had introduced some time earlier this session. I made no such claim and I do not think it is important enough to spend all that time upon it. However, from the fact that the minister took so much time in trying to disprove this point, when added to what the Minister of Justice said earlier today, it seems that we have touched a sensitive point. As my colleague the hon. member for Bonavista-Twillingate pointed out in his quotation from Shakespeare, "Methinks the lady"—or laddie—"doth protest too much".

We have certainly had a great deal of protesting here today. We have had much more protesting about this matter than we have had argument. A clever man once said that if you throw a stone in the dark and a howl comes back, you know that you hit something. It seems as though my colleagues happened to hit something here.

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

Mr. Carter: Later I will answer any question the hon. member wants to put to me.

Mr. McCleave: Does that remark apply to boomerangs?

[Mr. MacLean (Queens).]

Mr. Carter: It is not important who thought of this first. I can put on the record the fact that I had made a draft bill three years ago. Then we had the bill of rights. However, there is no point in doing this. The important thing is that this bill is before the House of Commons today and I am happy, and I expressed my delight. Whether it speeded anything up or whether it had no effect at all, certainly the fishermen are going to benefit by the fact that this bill is before us much sooner than we had a right to expect either from the speech from the throne or from the list of legislation which the Prime Minister gave us only a few days ago.

My chief reason for taking the floor is to reply to some of the arguments made this evening by the hon. member for Halifax. I do not know how we are to distinguish him from his colleague. I think perhaps we can do it by calling him the shorter member from Halifax. The hon. member is a fine example of a person who, if he does not succeed in convincing anyone else either by his logic or his oratory, leaves no doubt that he himself is thoroughly convinced. This evening it seemed that he was carried away by the exuberance of his oratory and talked himself into a bit of a trance.

The hon. gentleman made a great deal of the question of enforcement. I dealt with that point of enforcement this afternoon. I said that in my province we did not have the means of enforcing even the three mile limit and that we were not able to enforce it this winter. I have case upon case which I can cite in order to prove that statement. I put one case on the record when I cited the Spanish trawler by the name of the *Santa Amalia* which violated the three mile limit and destroyed the gear of our fishermen.

We cannot enforce the three mile limit with the small ships we have. I made that point quite clear. I said that we wanted not only ships that were five times larger than the ones we have now but that we wanted five times as many of them. This is an example of the talking in circles that was performed by the hon. member for Halifax this afternoon. He took the position that it was impossible to enforce a 12 mile limit. Just a few minutes ago the minister told us, as he told us yesterday—

The Chairman: Order. I was not in the chair when the discussion on second reading started, but the minister has raised the point that it was out of order to discuss this question of the 12 mile limit. Before the debate continues on that line, I should like to hear what the hon. member who has the floor or any other hon. member has to say on this point. If the changing of the three mile

limit would involve an amendment to an act other than the Fisheries Act, it seems to me that the point made earlier by the minister would be well taken. Even if this matter was discussed on second reading, the hon. member will realize that a discussion on clause 1 of a bill in committee is not necessarily the occasion on which to continue the debate which has been closed.

Mr. Carter: On the point of order may I say this. I feel that I should have the right to reply to arguments that have been made in this chamber this evening by an hon. member. That is all I am seeking to do. I would call to your attention, Mr. Chairman, the fact that I have not mentioned territorial waters. I have used the term "12 mile limit". I do that for a purpose. It is a phrase that is meaningful to the fishermen in my constituency. When we say "12 mile limit" we are not splitting hairs about whether it is territorial water. We are mainly concerned with the fishery and the protection of fishing rights. Whether you call them jurisdictional waters, an area of jurisdiction, or zone of fishery rights is immaterial. As far as we are concerned, it is a zone of water in which the fishermen's rights to fish are protected. If you wish me to be technical I will refer to it as a zone of fishing rights; but that is all I mean by the phrase.

The Chairman: I have to be technical, as the hon. member realizes, because we are studying the bill clause by clause. If the hon. member agrees with what the minister has said, that to extend the three mile limit for territorial waters, or fishing rights to 12 miles would necessarily require an amendment to another act, he will agree with me that it is out of order to discuss it now.

Mr. Carter: Surely, Mr. Chairman, I have the right to reply to argument that has been made in the house this evening by another member.

The Chairman: As I have indicated to the hon. member, the debate on second reading has been closed. We have to be relevant in committee in discussing the bill clause by clause.

Mr. Pickersgill: Mr. Chairman, perhaps I may make an observation since you invited observations from other hon. members on the point.

I think it has been the custom of the house, and a custom that was frequently reiterated and almost codified by the Secretary of State for External Affairs, particularly when he sat on this side of the house —though I have not heard him argue so strongly for it from the other side of the house—that a brief general discussion on the first clause of a bill, the kind of argument that arose in the debate on the principle of the bill, has always been permitted. Not extended speeches, but a brief discussion has been allowed.

I think it would probably save the time of the committee, considering that the debate was largely concentrated on this particular point, if the one or two hon. members who wish to clarify one or two points in this connection were allowed to proceed, as has seemed to be customary. I do not anticipate that many hon. members will wish to speak on this matter.

Mr. MacLean (Queens): Mr. Chairman, if I may say a word on the point of order, I think that even those who are quite skilled in international law and various other aspects of this matter may find it difficult to arrive at a line of demarcation between the amendments proposed here and the larger problem of the law of the sea.

In view of the fact that such a wide range was allowed in the former debate, I suggest that perhaps there would be no great objection if some latitude were given in this regard. I think it might expedite discussion of this bill, rather than prolong it.

The Chairman: Very well, as long as I am relieved of any responsibility.

Mr. Pickersgill: We will be tolerant, sir.

Mr. Carter: The hon. member for Halifax belaboured the point over and over again, how are you going to enforce a 12 mile limit? We have been enforcing a 12 mile limit on Canadian nationals and there is a clause in this very bill which is going to remove that 12 mile limit for Canadian nationals. Surely there is no difference as far as the means of enforcing a 12 mile limit is concerned. The means of enforcing it in respect of one ship will also be the means of enforcing it for another.

This is done by ships, the same as is done in the case of a three mile limit. It is the same thing. The means will be the same, but you will need more facilities to carry out the enforcement. You will need more ships, more patrols. You will probably need naval ships and air patrols. But the machinery and methods that work in the case of Canadian ships will certainly do the same job in the case of foreign vessels.

The hon. member cited the experience in Peru. Has the hon. member forgotten that even though Peru has extended her area of jurisdiction 200 miles out to sea, it is not so very long ago that she confiscated three whaling ships belonging to another power—I think

they were under Greek registry—and took them into her home ports. That is what we would have to do.

Mr. Morris: Mr. Chairman, may I just draw the hon. gentleman's attention to the fact that I did not mention Peru at all. It is pretty obvious that he was not paying any attention to my remarks. I do not know where he gets his information from, but I said nothing about Peru.

Mr. Pickersgill: The record will show.

Mr. Carter: I am pretty sure I heard the hon. member mention Peru, and I will look at the record tomorrow. However, we do not have to rely on Peru. We have the example of a little nation like Iceland. We have the example of a small nation like Norway, which is smaller than Canada. Norway has found some way of doing it.

Surely, if little countries like Iceland and Norway can enforce a 12 mile limit, what logic is there in saying that Canada cannot do the same?

It may be all right for my hon. friend; he may not have many constituents who are suffering because of the encroachment of foreign draggers. But I can assure the hon. member that last winter foreign draggers did affect not only Newfoundland fishing ships but mainland fishing vessels that were operating out of Port aux Basques.

I should like to tell the committee what happened in this case and I will quote one or two excerpts from a telegram I received from Mr. T. J. Hardy of Channel, Port aux Basques. This gentleman sent me a telegram on behalf of the fishermen of that area.

For the information of hon. friends I may say that Mr. Hardy is one of the most enterprising fish operators in my province. He is a man who owns and operates a fish plant. If one of his skippers becomes sick, he can get aboard that dragger, take her out and set his gear the same as any skilled fisherman; and he can build his own ship and fit her out. That is the kind of man we have in Newfoundland, and he knows what he is talking about.

This is what happened. The fishing in this area was good—

Mr. Broome: How many copies of that speech are you going to send out?

Mr. Carter: —and the fishermen were bringing in catches of 150,000 pounds of fish a day. The foreign draggers came, and the catch fell from 150,000 pounds a day to 20,000 pounds a day. It does not take much imagination to realize what effect that has on the livelihood of these fishermen.

Mr. Grafftey: Read the telegram.

[Mr. Carter.]

Mr. Carter: Not only were our people deprived of their livelihood, but the fish that were being caught were largely wasted. The fishermen were not able to handle the catch on board these foreign ships; the weather was cold; it was freezing a little and too fast for them to handle the fish. They had to throw the catch away, or it was washed away. There were so many dead fish floating around in this area that it was possible for people who worked in the offices there to pick up, after office hours, 1,500 pounds of fish per person. That is the sort of thing that is happening.

This was wealth of which my constituents were deprived and it was wealth that was being wasted. It was not doing anybody any good. This sort of thing goes on over and over again, year after year. My hon. friend thinks we should be satisfied to let that situation continue indefinitely. We are not going to let it continue indefinitely. We are getting pretty well fed up with it. It is all right to be sweet and reasonable, but how long can you be sweet and reasonable when your family is starving and when your livelihood is being taken away from you?

The answer to that situation is this. I think the hon. member himself put on the record this afternoon that at the Geneva convention 54 nations were in agreement on a six mile territorial limit plus a six mile zone of fishing rights. If those 54 nations were sincere in reaching that agreement, what is there to prevent them from getting together themselves and making that agreement work? How long should one remain sweet and reasonable while all those 54 nations who agreed to it in principle and supported it in Geneva and worked out a solution delay in putting it into effect?

An hon. Member: What would you do?

Mr. Carter: I say we have been pussyfooting long enough. The time is coming when we must stop pussyfooting, and if it means taking unilateral action, I say we should take it.

Mr. Morris: Perhaps I can make a few brief remarks. I was not in the chamber when the hon. gentleman said that for the purpose of definition he would call me the smaller member for Halifax—

Mr. Carter: The shorter.

Mr. Morris: Perhaps I could refer to that. Heretofore, Halifax, which is an anomalous constituency resembling that of the hon. Minister of Fisheries inasmuch as it is represented by two members, used to have what was described by hon. members as a senior and a junior member. I always thought this was somewhat pompous and I must say I would be delighted if the hon. gentleman cares to distinguish between my colleague and

I by referring to the longer and to the shorter hon. member for Halifax. I can tell the hon. gentleman that it is in no way offensive. The best things in the world come in the smallest packages.

Mr. Pickersgill: That is a reflection on your colleague.

Mr. Morris: It is not a reflection on my colleague at all. It is simply an assertion that we do not have a senior and junior member in Halifax as used to be the case.

I do not wish to prolong this discussion, but, frankly, I think the hon. member for Burin-Burgeo is a great deal more convincing when he is talking the language of lake Couchiching or Mackinac island, than when he is talking about taking unilateral action. Moral Re-Armament comes much stronger from him than these statements that we should go it alone and do this and that. Certainly reasonableness should be the language of M.R.A. rather than talk of unilateral action. It is gratuitous of the hon. member to say that I am not concerned. I am concerned. We are all concerned. I am concerned about the Newfoundland fishery because I am a Canadian and because I am a member of parliament. I have said nothing here which should have aroused the hon. gentleman's vigour or acerbity in any way. I simply ask whether those who recommend unilateral action are prepared to enforce its consequences.

Hon. members opposite say that we can now enforce the three mile limit. The answer is very simple. It is elementary. We have jurisdiction under Canadian law over the nationals of Canada both in Canada and abroad but we have no jurisdiction over the nationals of another state. What would hon. members opposite advise doing if nationals of another state came inside the 12 mile limit? Is the hon. gentleman prepared to get into a boat and fire the first gun? That is the question he has not answered.

Mr. Carter: The answer is very simple. We would do exactly the same as we would do if they came inside the three mile limit, and if the hon. gentleman was not so dense he would know. The chief duty of any nation and of any government is to defend its nationals and to protect their livelihood. That is our duty here. The livelihood of our people is at stake and it is being jeopardized by nationals of some countries who themselves claim or at least try to claim a 12 mile jurisdiction. The hon. gentleman has spoken as though the three mile limit were something sacred, something handed down from Mount Sinai. It was only the range of an old time cannon. That is all the three mile limit was, and then a number of nations agreed on it. Well, we have outgrown the three mile limit. We have outgrown the cannon. We are out in space now. We are orbiting around the world. The cannon with the three mile range is out of date and we have to bring ourselves in line with events.

Mr. Granger: I intend to be very brief. I made my contribution this afternoon. However, I must make a comment or two about some of the observations made by one of the hon. members from Halifax. I shall be very careful how I refer to him because I was in the kindergarten group that he lectured a little while ago when he climbed onto Mount Olympus and looked down on us from a great height.

Despite the fact that the hon. member spent some time talking about the 12 mile limit, only two things seem to emerge. One was that he seemed to think that any extension of sovereign power beyond the three mile limit would be an act of aggression against, I presume, the rest of the world. The other point was expressed by his repeated question, how would we enforce it? The hon. member inferred that any attempt to extend our rights to 12 miles would automatically involve armed action. That was the inference, although it was not stated in so many words.

My own impression is that Canada, which has been active in negotiating the extension of territorial waters, could, if she negotiates long enough and hard enough, win by means of negotiation alone. The prospects are by no means hopeless. In any case I think our position would be so well established on moral grounds by general agreement that, helped out, perhaps, by a little of that braggadocio about which the hon. member talked, the 12-mile limit would become an accomplished fact.

Mr. Morris: We have just seen precisely in the last two minutes the contradiction of which I spoke in my remarks on second reading. The hon. member for Burin-Burgeo said "Take unilateral action." The hon. member who has just sat down said "The situation is not hopeless; I believe in negotiation".

This is precisely the point. I did not say anything in my remarks against the 12 mile limit. My remarks were directed against unilateral action to try to secure it. The hon. member for Bonavista-Twillingate said he would resort to unilateral action only as a last resort, by which he meant he wants to have the best of both arguments. I say it is perfectly apparent that hon. members opposite are not prepared to enforce a 12 mile limit. It cannot be enforced. If a law cannot be enforced, it is not a good law, and if it is not good law it should not be on the statute books. I believe in negotiation. Now

that this matter has come out in free wheeling debate, I may say I was appalled to hear a former Nobel peace prize winner come into this house this afternoon and advise taking unilateral action. Negotiation is the only way to achieve a 12 mile limit. The hon. member for Bonavista-Twillingate did not check his script with that of the Leader of the Opposition because they said opposite things. You have got to negotiate because you are not prepared to enforce it. If we can establish a six mile limit it will be better for our fishermen than a three mile limit. I am saying that I do not believe in unilateral action at this time. I do not believe the hon. gentlemen, who have said they do, are prepared to take the consequences in the way of enforcement. What could be clearer than that statement?

Mr. Pickersgill: Since the hon. gentleman seems to know better what I said than I do myself—

Mr. Morris: That is possible.

Mr. Pickersgill: —perhaps I can put this in a way that even that hon. gentleman, who has neither the will nor perhaps the capacity to understand, will find it hard to misrepresent. My position is not necessarily that unilateral action be taken and that was precisely the position taken by my hon. friend the Leader of the Opposition. I think that the people of this country will be rather more impressed by the position taken by the Leader of the Opposition as to what might be possible in international politics than they will by the shorter hon. member for Halifax. The fact of the matter is that they all know that a little country like Iceland, having made a unilateral declaration, has succeeded, as I pointed out earlier, in getting the majesty of Great Britain to accept it, reluctantly, and in some instances with some difficulty. I do not believe that we are such pusillanimous people, that we Canadians are so frightened by our own shadows that if we can get a convention, by agreement in advance with other countries concerned, we will not do so. I do not believe that if we set our hands to this task we will fail. In fact, I am quite confident that we occupy such a position in the world that we would be successful in doing this.

Mr. Drysdale: How long would it take?

Mr. Benidickson: The Conservatives will take too long.

Mr. Pickersgill: If the members of the government are as much interested as the hon. member for Halifax in securing this, it will certainly take until after the next election, and until my hon. friend the Leader of the Opposition becomes prime minister.

Mr. Ricard: That will take another 25 years.

Mr. Pickersgill: When that happens it will not take very long, as it will not take very long to get this country moving again.

Mr. Deputy Speaker: Order.

Mr. Crouse: Mr. Speaker, I have listened this evening to the debate since 7.45 and have found some of the remarks most interesting indeed, especially those made recently by the hon. member for Burin-Burgeo. I wrote some of them down. He said, we enforce the 12 mile limit on Canadian nationals and they obey the law. It is only natural that all east coast fishermen who are good Canadians would certainly obey the law. The hon. member went on to say, if we can enforce the 12 mile limit on Canadian fishermen we can enforce it on fishermen from other countries. He said it was easy to do this. He suggested that all we need is more patrol ships and more air patrols and that we, like Norway, could enforce a 12 mile limit on any ship operating off the east coast.

I believe tonight that the opposition has really gone on record in so far as the east coast fisheries are concerned. I do not believe that hon. members want to see large trawlers leaving Halifax, Lunenburg, Louisburg or St. John's, Newfoundland, under protection of gun boats supplied by the Royal Canadian Navy, and aircraft supplied by the Royal Canadian Air Force. If that is the position of the Liberal party, and I think it has been well stated, I am pleased to see that it has finally been placed on the record. I do not approve, as the member for one of the largest fishing ports on the north Atlantic coast, and I raise strong objection to the remarks put on the record by the hon. member for Burin-Burgeo and the hon. member for Bonavista-Twillingate.

I believe this government realizes that it has a duty not only in respect of deep-sea fishermen, but inshore fishermen as well. I have both types resident in my riding and I recognize the value of inshore fishermen to the Canadian economy. It is evident that the Liberal party does not wish deep-sea fishermen to have equal chances, as do fishermen of other nations. Members of that party discussed the situation in such a way that they have led us to believe they want our fishermen kept 12 miles off the coast without the opportunity of enjoying the same rights as those fishermen of other nations. I think this is a wrong approach and would suggest, under this government, that there will be no second class citizens, no second class fishermen. We intend to protect their rights.

We have heard other statements made by the hon. member for Bonavista-Twillingate suggesting that I was not interested in inshore fishermen. In my riding of Queens-Lunenburg there are a large number of inshore fishermen, lobster fishermen, as well as ground fishermen, and I should like to go on record as stating that as long as I represent that riding I will endeavour to see that they receive a fair share of the harvest from the sea.

Clauses 1 to 13 inclusive, agreed to.

Title agreed to.

Bill reported, read the third time and passed.

AGRICULTURE

PROVISION FOR AGREEMENTS RESPECTING MARGINAL LANDS, RURAL EMPLOYMENT OPPORTUNITIES, ETC.

The house resumed, from Monday, May 1, consideration of the motion of Mr. Churchill for the second reading of Bill No. C-77, to provide for the rehabilitation of agricultural lands and the development of rural areas in Canada.

Mr. Eric Stefanson (Selkirk): Mr. Speaker, in rising to speak in support of Bill No. C-77, I wish to congratulate the Minister of Agriculture for introducing this bill. I want to say at the outset that this is one of the most important pieces of legislation that have come before parliament this session. This bill is of great importance to the people of my riding and I personally feel that it will have the effect of raising the standard of living of many people in the area.

The interlake area is primarily an agricultural area and is composed mostly of mixed farming. In the Selkirk constituency we have some excellent land. We also have some marginal and some submarginal land. This legislation is designed to raise the standard of living of those engaged in agriculture and primarily of those on marginal land. I can see that this legislation has great possibilities of doing that for farmers in my constituency.

The interlake area has never been included in a P.F.R.A. district. The reason given for excluding it was that the P.F.R.A. was set up for drought areas and conditions in the interlake area were the opposite. No matter how you look at it, damage caused by soil being too wet or flooded is every bit as bad as or worse than damage caused by drought.

Under this legislation the interlake area will now receive the benefits that other areas have received under the P.F.R.A., and therefore this area will probably see more immediate benefits than many other sections. Farmers will now be eligible for assistance for dugouts and the greatest benefit will come from the establishment of community pastures.

This piece of legislation is bold and imaginative. It deserves the support of all the people of Canada. If this plan for rural development succeeds, and if the federal and provincial governments advance the money to make marginal farm rehabilitation successful, this legislation will have important social and economic results for agriculture and for Canada.

In the past the trend has been for farmers to move off the farms and when several leave the same district it makes that particular community poorer. If this legislation bolsters the income of marginal farmers and of other more successful small farmers as well, it can revitalize the whole rural scene and renew prosperity for small business in rural areas as well. It is important that this legislation be supported by provincial and municipal governments. It offers social and economic benefits to rural people, and it will stop the exodus of rural people to the large cities. It is important that local chambers of commerce, service clubs and other organizations render support to this rural rehabilitation and development program. If everybody digs in and gets behind this legislation it cannot help but succeed.

When the hon. member for Nickel Belt (Mr. Godin) was speaking on the bill last night he adopted a rather negative attitude. He did admit that he was supporting the bill but nevertheless he found fault with the preamble. Actually, the preamble is an excellent one. It reads as follows:

> Whereas agriculture in Canada is undergoing technological changes that necessitate adjustments on the part of many Canadians engaged in this basic industry in order to maintain or raise their standard of living;
>
> And whereas all Canadians, and Canadians engaged in agriculture in particular, may benefit by projects providing for the alternative uses of agricultural lands that are marginal or of low productivity, by projects for the development of new opportunities for increased income and employment in rural agricultural areas and by projects for the development and conservation of the soil and water resources of Canada;
>
> And whereas such projects can best be advanced on the part of Canada by the undertaking of research and the providing of assistance to provincial governments and agencies thereof with respect to such projects;—

From the preamble hon. members can see that the bill covers a very wide scope and deals with the alternative uses of land and rural development projects. It is true, as has been said in the debate previously, that some of those projects will not give immediate benefit. It will take time for them to show real benefits to the people.

I wish to make a passing reference to the remarks made last night by the hon. member for Bonavista-Twillingate (Mr. Pickersgill). In speaking on this bill last night the hon. member referred to having lived in the bush of northern Manitoba. These remarks can be found at page 4186 of *Hansard*. This was the second time during this session that the hon. member referred to Ashern as being in the bush in northern Manitoba. The first reference may be found at page 3657 of *Hansard*. I am sure that the people of that town and the surrounding area do not appreciate being referred to in these terms, since this type of reference gives the impression that they are backward. This is directly opposite to the truth. The town of Ashern and the surrounding area are a very progressive community.

Mr. Pickersgill: Having two cabinet ministers at the same time.

Mr. Stefanson: That is correct, but I do think that the hon. member himself has got bushed and is completely out of touch with the conditions in Manitoba. The people of this district are industrious and proud of the opportunity of being able to help themselves. Through their hard work and initiative they have prospered.

When speaking on this bill last night the hon. member for Bonavista-Twillingate went on to refer to being in the bush of northern Manitoba. The Parliamentary Secretary to the Minister of Agriculture (Mr. Jorgenson), interjected, as reported at page 4186 of *Hansard*:

In one of the areas that will benefit most by this bill.

The hon. member for Bonavista-Twillingate said "no". This indicates that he has lost touch with Manitoba, or else he just does not understand the bill. It is true that the farmers in the area are growing oats, wheat, barley and some specialized crops. However, there is only one grain elevator located on the C.N.R. line north of Warren and that is at Moosehorn, nine miles north of Ashern. This does indicate that the area is not a heavy grain producing area. The main revenue for this district is derived from livestock and livestock products. There are four creameries located in the district at Lundar, Eriksdale, Ashern and Moosehorn. This area, being a heavy livestock area, will benefit greatly from this legislation. Farmers will now qualify for assistance for dugouts, stock water dams, irrigation, irrigation projects and the greatest benefit of all to this type of area can be community pastures.

Throughout the years the people of the interlake area requested to be included in the P.F.R.A. district but their requests fell on deaf ears. These requests were made through the rural municipal council, and the council of the rural municipality of Signes was one of those councils making a request. Anyone who looks at a map of the P.F.R.A. district can see that the interlake area sticks out like a sore thumb because it has been left out of the green area which is the P.F.R.A. area. I have a copy of the 1958-59 report for anyone to see.

These municipal councils have passed resolutions at their district and annual conventions requesting the federal government that their areas be included in the P.F.R.A. district. I am sure the people of that area of Manitoba will not forget the shabby treatment they received at the hands of the former government, a government of which the hon. member for Bonavista-Twillingate was a member. About a year after I was first elected I submitted this report to the government. At that time these people had given up hope of ever getting any action on this type of legislation. The report I submitted to the present government was received with sympathetic consideration and is now being implemented through this piece of legislation. The interlake area will now receive the benefits which it was previously denied, that is the benefits that are granted under P.F.R.A.

The hon. member also mentioned that he had been in that part of the interlake area in 1911. I came to that area a little later with my parents in 1915, and not to the town of Ashern because they settled in the district of Vestfold. The only difference is, however, that I have a far greater assocation with the district than the hon. member for Bonavista-Twillingate since I arrived there in 1915 and have lived there continuously except for eight years spent in Winnipeg. This particular piece of legislation will bestow many benefits upon the interlake area because it deals with alternative use of land. We have many small farmers in that area who are located on a quarter section of land which is not good farmland. I am sure that in time, through the instrumentality of this measure, these people will be relocated.

The people of the area will receive a great deal of benefit as a result of the establishment of community pastures. I want to refer to the district where I first settled in 1915 with my parents. There were many settlers living in the district of Vestfold at that time. Today there are only a few farmers left. There have been great improvements made in the breed of cattle. In those days most of the farmers did not have good stock, but today you will find some of the finest cattle herds in Manitoba in that interlake area. A farmer by the name of Albert Thorgilson from Vestfold, Manitoba, exhibited two animals at the winter fair in Toronto last

fall. This indicates the type of stock being raised in the interlake area. In addition, a hog producer, Clarence Edwards, from Stonewall, for the past two years won an award for marketing the largest number of grade A hogs in the province of Manitoba. I believe he has marketed 90 per cent or better in grade A hogs, so you can see that the area produces quality hogs.

In concluding, Mr. Speaker, I just want to reiterate that I feel this bill deserves the support of all members in this house and the support of all the people throughout this great land of ours.

Mr. Pickersgill: I have not the slightest desire to quarrel with the hon. member for Selkirk (Mr. Stefanson). We are very good friends, and I hope will remain so. I do think he misrepresented what I said last night, and I should like to correct him. When I went to Ashern in 1911 there was a good deal of bush. Even in 1915, when the hon. gentleman came to that part of the country, there was still a lot of bush. If the hon. gentleman had read on from the word "No" in the middle of page 4186 of *Hansard* for yesterday, he would see that I said this community would not need the benefits of this kind of legislation because of the progressive things that had been done by the people there. The hon. member mentioned those things in his speech, the wonderful cattle and the wonderful hogs being raised there. The people have done these things for themselves, and it was in seeking to praise that that I said what I said last night.

Mr. Harris Rogers (Red Deer): I should like to take this opportunity of congratulating the minister on his appointment and I commend him for bringing down this legislation. Fifty years ago, Mr. Speaker, a man with a stout heart and a skeleton outfit could set himself up as a farmer with fairly good prospects of making a success. In other words, he could get a foothold on a quarter section of marginal type land and make a success. Time and the advent of mechanization have changed all this. Tractors and power machinery are very expensive. They require larger units of land for economic production and operation.

The operator of the family farm soon found himself in difficult circumstances, with rising costs barring the way to expansion, while retarded produce prices tended to limit and depress his standard of living to the point where the very existence of the traditional family size farm was seriously threatened. This was and is a problem all across the world. It is certainly not confined to Canada. Some countries surrendered to the trend and concentrated their agricultural operations in huge collective and corporate farms, while others instituted immense programs of subsidization, control of production and so on.

This government has committed itself to a different course of action. First, it believes that the independent family farm is the backbone of our economy as well as of our traditional democratic way of life. Second, Mr. Speaker—this is the point I want to stress—the government believes that the custody of our most precious natural resources, the productive topsoil of our arable areas, can most safely be entrusted to the care of family ownership where conservation and continuity of interest go hand in hand to preserve this heritage.

To qualify this statement a bit, may I say this. I mentioned the trend in different countries toward such things as collective or corporate farms. It stands to reason that management and workers on this type of operation would not have the down to earth feel of the soil. Their interest under pressure must be to take out as much as possible, without giving much thought to the preservation of the soil for future generations. Family ownership, on the other hand, can be entrusted from generation to generation to take care of the soil.

Mr. Speaker, I am reminded of an incident that happened to me on an Ontario farm when I was very small. One day in talking to me my grandfather picked some soil up in his hand and rubbed it a bit. He said to me, "Son, you be good to the soil and it will be good not only to you but to future generations". I think this is an important point. Years hence when we have exhausted our oil and mineral reserves, our top soil if properly protected will go on producing in perpetuity.

Third, this government believes that Canadian farmers, if given an opportunity, would be fully capable of reorganizing their industry into economic family units, each capable not only of producing a good livelihood for the operator and his family but of repaying long term credit.

These convictions led the government to set up, for instance, the Farm Credit Act which reflects a new concept of agricultural credit. I submit, Mr. Speaker, that this measure has set up a creative process which should revitalize agriculture and do so on a self-liquidating basis. I think the fact that such a solution is possible is in itself a tribute to the basic soundness of Canadian agriculture and to the character of the Canadian farmer.

The previously mentioned legislation and other measures that have been brought down are only part of a major offensive. The Agricultural Rehabilitation and Development Act—I refer to Bill No. C-77—apart from

working in certain specific areas of marginal and submarginal lands, will co-ordinate and make use of all these provisions previously mentioned in order to resolve the problems facing the agricultural industry today.

This legislation encompasses the widest participation and will enable the federal government to enter into agreements with the provincial government. The minister has stressed the fact that this participation must be started at the grass roots something which is the saving feature. In other words, it must start with a firm foundation and work up from the people themselves, rural and urban, through the municipal level to the senior governments. It is what I call a nation-wide project. This measure provides our non farmers as well with an opportunity to take part in this national revolution. I should like to remind them that the health and welfare of our farming industry is fundamental to the health and welfare of our whole economy.

In closing, Mr. Speaker, may I say that the future of Canada is not dependent upon the wealth and resources of the country but rather upon the character of its people. I submit that this legislation provides an opportunity for the expansion of a sound economy and, as well, the development of a strong character in our people.

(Translation):

Mr. Jean-Paul Racine (Beauce): Mr. Speaker, I believe that, at the resolution stage, we, on this side of the house, have supported the principle of this bill. However, we supported it because the minister had given it a tremendous build up.

I am sorry that this legislation should come before the house at a time when the committee on agriculture and colonization is sitting, as was also the case last night. I also regret that the government whip saw fit, last night, to accuse us of not being present at committee sittings. As a matter of fact, as reported on page 4186 of *Hansard* he stated:

> There is not a Liberal member down here.

Mr. Speaker, I find this statement quite strange, as he himself was present at the beginning of the sitting, and I want to rectify the gratuitous statement he made last night in the house.

Mr. Speaker, as I said earlier, we did approve the principle of Bill C-77 with regard to the proper use of soil, and more particularly to the rehabilitation of agricultural lands and the development of rural areas in Canada.

As a matter of fact, we have been promoting this principle for a long time, because, if I am not mistaken, the Senate committee appointed by the former government went thoroughly into the matter.

We all know that farm revenue in some districts is inadequate; the minister stated so himself at the resolution stage, when he said that, in the province of Quebec, only 47 per cent of the farmers would benefit from this bill. Yet, when the resolution was discussed, the minister said he had great hopes of being able to consult the provinces as well as the farm organizations between the time the resolution was submitted and the discussion of the bill itself. That is what he said, as reported on pages 3263 and 3264 of *Hansard*:

> Following the introduction of the resolution in January I thought there would be a debate for two days. Then I intended to go to each of the provinces, see the provincial governments, sit down with them and work out the general framework for a series of agreements that I thought we should work toward, especially the areas where research has to be done before agreements can be completed. Following that meeting with the provinces there will be a time lag, as they work on this, in some instances of three or four months. I want to discuss with them the terms of the bill to see if it is broad enough to cover the various types of agreements we have in mind. Second, I want to go to the farm organizations, who have been most co-operative and helpful over the years in suggesting this idea, show them the legislation and ask if they have any ideas for broadening it.

When the minister closes the discussion, I hope he will tell us whether he took these steps by getting in touch with the provinces and farm organizations.

Moreover, on March 23, 1961, the Minister of Agriculture (Mr. Hamilton) made the following statement, which appears on page 3278 of *Hansard*:

> Let me read to the committee the recommendation of the minister of agriculture of the province of Saskatchewan, Hon. I. C. Nollet—

Now, Mr. Speaker, comes the part of the recommendation quoted by the federal Minister of Agriculture:

> 1. Provision of financial assistance in connection with agreed upon projects, on an approved basis.
> 2. Making top level technical and professional advisors and consultants available, as requested by the province.

I wonder whether this bill includes a particular formula, as it seems to be rather general in scope.

Yesterday, in the absence of the Minister of Agriculture, it was his parliamentary secretary (Mr. Jorgenson) who introduced the bill. He stated among other things, as reported on page 4183 of *Hansard* for May 1:

> The bill itself fits into the broad philosophy of this government in respect of agricultural policy.

The subjects of bills that have been introduced into this House of Commons and have been passed as legislation include the following: a program of price stabilization to alleviate the effects of the fluctuation of prices owing to economic conditions beyond the farmers' control; the introduction of a crop insurance program designed to minimize the effect of fluctuation in yields caused by weather conditions beyond the farmers' control.

I was quite surprised to hear the parliamentary secretary boast about the crop insurance act, as we all know that very few provinces have yet availed themselves of this scheme and that in fact, the scheme is being tried out in only one of the provinces, namely Saskatchewan.

The parliamentary secretary went on to say:

The bill outlines in three separate phases the intention of the government. First of all there are the projects for the alternative uses of land.

The minister has on several occasions indicated what he has in mind in this respect. He has outlined that many areas of Canada which are presently being used for agricultural purposes could be put to better use for the production of trees or as reforestation projects.

Here again, I think the act is too general and raises some doubts, because if you look at this year's estimates, you find that the Department of Forestry will spend $400,000 on reforestation. In future, will reforestation be carried out by the Department of Agriculture under this act, or will it be carried out by the Forestry Department? That is a question I should like the minister to clear up.

Furthermore, the parliamentary secretary, on page 4184 of *Hansard*, quoted yesterday from a report wherein it was stated that in any such plan, all levels of government, and I quote:

—will be involved and voluntary organizations such as chambers of commerce, agricultural societies, and community development corporations must lend their assistance to a co-ordinated program.

Therefore, it means that once again the government is counting on the co-operation of organizations for the implementation of this bill. It should not however be inferred from this statement that chambers of commerce and farm organizations have not done their share in the past to help the cause of the farmers.

I said the bill is unusually brief and that we are unable to detect any definite project in it.

In addition, I frankly admit that the statement of the parliamentary secretary caused us to wonder further when, as reported on page 4185 of *Hansard*, he said that this statement was taken from an item in the Canadian Federation of Agriculture news and information bulletin of January 1961 and entitled "A Rural Development Project in Quebec". This is what he said then:

There are many mountains and hills in that area—

He was addressing himself to the member for Brome-Missisquoi (Mr. Grafftey).

—and some of the farms are of a marginal type. One young farmer, Real Boulanger, a confirmed skier, decided that the community had real potential as a skiing resort. He and his family and friends organized Mount Sutton, Inc. in February of 1960, and purchased 2,300 acres of land on the north side of Mount Sutton, the highest peak within 100 miles of Montreal. Then came the development of a first-class ski resort.

A little further, we read:

Jean Lessard, one of Canada's 1960 Olympic skiers, has agreed to provide skiing lessons. What has it meant to the community? Sutton is a rural community, and most of the local businesses were dependent upon the farm. The resort has brought new business. Twenty five people have been employed on the project, and it will provide full-time employment for from 15 to 20 people all winter.

I say that this bill is too wide in scope, since everything seems to come under agriculture. We have reached the point where we are dealing with the development of ski clubs.

I wonder if indeed the object of this bill, and the purpose of the minister, is to promote such developments on submarginal farms.

And so, we can think up almost anything, or contemplate any project at all under a bill as vague as this one.

Moreover, as I was saying, this bill provides for no clear-cut project; it rather deals with such things as studies, researches and enquiries. Naturally we approve the principle of the bill, but it must not be limited to research, enquiry and study; it should also provide for projects that could be undertaken on submarginal farms.

This bill offers nothing in the way of definite projects with the result that, when it is passed it will be impossible for us to tell farmers on low yield land that such or such project may be undertaken on their farm. We were expecting something better and we feel that the bill could contain specific projects. Moreover we believe that if the bill is passed this year, the act could not be put into force immediately, since there is no provision for it in the estimates. It means that no subsidy will be paid this year unless we are requested to approve a supplementary vote.

During the debate last night, the hon. member for Melville (Mr. Ormiston), a government

member, said the proposal would be very expensive. He surely meant that the government would be providing large amounts so as to make this legislation practicable. It is rather hard to assess the government's generosity because we still do not know what the program covered by this legislation will be.

There has been reference to conservation in western Canada and to development of marshlands in the maritimes. There again, it is nothing new since both items are in this year's estimates for agriculture.

Last night, the hon. member for Kootenay West (Mr. Herridge) referred to reforestation and forest products. As I said a few moments ago, we can well wonder whether the proposed new legislation, in the matter of reforestation, will be administered by the Department of Agriculture—which already had a similar division—or by the Department of Forestry.

As can be seen on page 4199 of *Hansard*, the hon. member for Kent (Mr. Danforth) said that the opposition is disturbed.

We certainly are not, because we feel there is really nothing here to disturb us. This legislation is too vague to enable us to discuss properly projects that might come out of it.

Mr. Speaker, we are relying on the Minister of Agriculture, and we shall find out after a while whether this bill will give the results which the minister promised at the resolution stage and promised previously in the build-up given this bill, which had inspired confidence among farm organizations of the province and throughout the country.

However, as I was saying, Mr. Speaker, we approve the principle of this bill.

(Text):

Mr. P. V. Noble (Grey North): At the outset I should like to voice my disapproval of a statement made last night by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) to be found at page 4188 of *Hansard*. It reads as follows:

> This legislation is not going to contribute in any way at all to the solution of any of our immediate problems. Indeed, it may do the reverse unless we are very careful, because at the present time it would be a very grave error indeed to take anyone off a subsistence farm in order to consolidate holdings and make someone else's farm more efficient and put the person removed from his farm in the slums in one of our cities on relief.

I just want to say that provision is made in Bill No. C-77 for certain action to be taken which would refute that statement. I do not know what the hon. member means by "immediate". I know it could be soon.

This bill has also as one of its objectives the arresting of migration from the land. The main part of the hon. member's statement implied that persons removed from farms by the application of this bill would go to the slums. That is a reflection on our rural people.

This legislation is unlimited in the benefits it can render to the whole nation, especially to rural life. This bill is of particular interest to me owing to the fact that agriculture is the largest industry in my riding. Therefore, I welcome the opportunity to support it.

Bill No. C-77 provides an incentive for constructive and visionary thinking. It creates an atmosphere of awareness of the vast scope of possibilities which can be useful in the improvement of farm income and the restoration of certain natural resources so vital to the accomplishment of the desired result.

This bill, with all its ramifications, when implemented in co-operation with provincial governments or agencies thereof should provide a wide field of diversification for rural people, and as a result many families will be able to maintain their way of life on their limited holdings.

In my constituency of Grey North and the surrounding areas we have some fine farms and progressive people. We also have many marginal and submarginal farms which do not make sound economic units. Many of these farms are being vacated and sold to holders or larger units. However, others on these farms, where they have perhaps spent their lives, as their parents before them did, are reluctant to leave. Anything that would supplement their income so that they could continue living on these locations would be acceptable. With these people in mind, I will make some suggestions which I think will be helpful.

The government could assist by soil testing and other research necessary to provide a sound basis for any of these operations.

Financial assistance will be a necessity in some of these fields of endeavour. I am thinking now of enterprises that could be satisfactorily adopted by family units. We have many areas suitable for blueberry production on which the Department of Agriculture has up to date information. Other low lying areas could be utilized for the

production of cranberries. Marked success has been achieved by several in this field. This could also be said about blueberry operations, especially in Newfoundland where this is a million dollar industry.

Game farming is relatively new and offers excellent possibilities. Pheasant and other game birds are raised to supply the ever increasing number of hunt clubs. A few others offer sportsmen the opportunity to hunt pheasant and other game birds on their farms on a per day or per bird basis. These birds are produced on the farm and released when stock on the preserve is in need of replenishment. Many more of these farms will be required to supply the thousands of sportsmen who would like to hunt where game is available.

While I am on the subject of catering to sportsmen, I would like to mention fish farming as another means of bolstering the rural income. We have thousands of sport fishermen searching the country for streams, ponds or lakes which might yield some reward for their hours of angling. Many farmers own excellent locations for the development of fish farms. I might add that thousands of fish farms are being operated profitably in the United States. We do have some such farms operating successfully which derive most of their revenue from supplying large hotels and restaurants with their requirements of speckled and rainbow trout. Many more people could be absorbed in this industry.

Fur farming has made a worth-while contribution to rural life in Canada over the past 50 or more years. However, expansion in the field of mink and fox production is not warranted at this time. We did, however, import over $7½ million worth of persian lamb skins last year. It is claimed that these can be produced profitably in Canada and could, of course be maintained on submarginal land during the pasturing season. This production would not create a meat problem as the lambs are killed shortly after birth.

We also imported in 1961 over $2 million worth of muskrats which could be produced on our own marshes and lakes. The provision in the bill for water conservation and resources management should remedy this situation and add substantially to rural income. Other fur imports to Canada in 1961 amounted to nearly $14 million. This is perturbing when one considers that we are traditionally a fur producing country.

Not far from my home in Grey North there lives an enterprising young man, Mr. Arnold Kuhl, who can rightfully claim to be the originator in Canada of a promising young industry known as "farm vacations". The idea has now spread to several provinces and each year more farmers will identify themselves with the enterprise and share and expand its possibilities. These farmers supply accommodation in their homes to urban families seeking an opportunity to enjoy rural life. This sort of holiday is becoming very popular because whole families can now enjoy a splendid vacation at reasonable rates in an environment that is healthful and appealing to children. Many farms through the country possess spacious homes which provide ideal circumstances for the promotion of farm vacations. Of course, these people are quick to provide other attractions, of which there is a large variety. Farm vacations open an avenue by which farm people may secure a larger share of the tourist dollar.

A sugar bush can be maintained on rough areas which are unfit for agriculture and, properly managed, can be the source of extra revenue to the family farm.

These sidelines which I have enumerated could be promoted on family units over a wide area of the country. Some of the projects would also lend themselves to specialization. I draw attention to them in the hope that provincial governments, or agencies thereof, through the provisions in this bill, might promote them among the rural people, 20 per cent of whom now operate farms that yield less than $1,200 a year to their operators.

It has been mentioned that marginal and submarginal farms could be converted to forest or tree farms. The Christmas tree farm is the only part of this program that would make a practical operation for individuals. Other reforestation of any magnitude is a long range program and would of necessity be the responsibility of large pulp and paper companies, the provincial and federal governments, or all three working together. This bill provides for such action, which should be one of the projects for immediate consideration and expansion.

Reforestation of large areas which have been timbered is taken care of to some extent by nature, but these areas, if properly managed and if proper trees are introduced, would, in the years ahead, be much more productive. This holds true in my part of the province where we had many fine stands of hardwood, but now these areas are cluttered up with tree tops and brush. They are of little value as pasture land and reforestation is the only hope of putting such properties back into useful production.

Since we have such large areas denuded by timber exploitation and erosion, our water levels have dropped so that many wells go

dry for several months of the year. The minister through Bill No. C-77, hopes to rectify this situation, and I feel sure this can be accomplished with an accelerated reforestation program. I would suggest an immediate survey be made of the facilities available throughout the country for the production of seedlings. If more accommodation is required to supply the quantities needed, steps should be taken, in co-operation with the provincial governments, to get these establishments under way promptly. Reforestation, it seems to me, offers the best means to the end result which we hope will be accomplished by Bill No. C-77; that is, to state it briefly, to promote conservation in all elements and create better circumstances for rural people in the unsatisfactory income brackets. The benefits of reforestation would affect our whole economy. We have much secondary industry dependent on forest products. Wood has never been replaced as man's most valuable servant. Instead, thousands of new uses have been found for it and old uses have been continually improved.

Most of western Ontario is vitally concerned with the matter of water. Cities are exploiting the areas adjacent to them, and farm people in many localities are transporting water to their farms by tanks and milk cans. Reforestation, in the proper places, can do much to relieve this situation.

In our county of Grey, there is the highest point of land in Ontario, 1,735 feet above sea level. This is the great watershed of a vast territory of western Ontario. This great ridge, which embraces approximately 40,000 acres, should be completely reforested. In so doing, results would be forthcoming and, in a comparatively short time, the Grand, the Humber and the Credit rivers, which flow south, the Saugeen which flows west, and all the streams and rivers flowing north into Georgian Bay, could be restored to their natural flow, and with the assurance that spring floods would be at a minimum. The same program could be instituted at the head waters of all western Ontario rivers or in any other province where such conditions exist.

Without a doubt, the day is not far off when this program will be an absolute necessity, and I would commend it for early consideration, under this bill, with the co-operation of the provincial government.

These 40,000 acres of which I speak could also serve the purpose of a national park and game sanctuary. Under the authority of this bill more suitable areas should now be designated for national parks while choice virgin timbered locations are still available. Fire and exploitation have lost to our people some ideal territories for this purpose.

More game sanctuaries are required if we are to maintain our wildlife populations. We have thousands more joining the ranks of our hunters each year, and sport magazines continually report the scarcity of game in widespread areas. This is particularly true of the white-tail or red deer. Submarginal land or waste land could be converted to suitable game refuges.

Our local conservation authorities are to be commended for the contribution they have already made toward restoring our natural resources. Bill No. C-77 provides legislation that will extend the help and direction the authorities have hoped for, and of which they will not hesitate to take advantage.

This government should give some thought to introducing legislation in respect of the future settlement of all new areas in our country so that many of the obstacles we are now legislating to correct would be avoided.

Surrounded by a wealth of natural resources that seem inexhaustible, the pioneer in any area naturally shows more energy in using what is at hand to keep himself fed, warm, clothed and in business, than foresight in preserving any of it.

I am not in agreement with cutting our wheat acreage. This is a commodity that can be stored for lengthy periods. It is used for food the world over. It is not difficult to handle or transport. It could be our most potent weapon for maintaining peace. It could save millions of lives. It could save our own if great catastrophe overtook us. Our great western plains are reputed to be the bread basket of the world and, as such, they should continue. More of our wheat should go to those now starving. This will not hurt our market as these people are not in a position to buy. However, such humanitarian treatment could win them over politically now and for mutual economic advantage later.

I am in full accord with the remarks of President Kennedy when he said in his inauguration address "If a free society cannot help the many who are poor, it can never save the few who are rich".

In conclusion, I compliment the Minister of Agriculture on his initiative in respect to Bill No. C-77, the effects of which could permeate far into the future and affect many generations.

I would remind this house of what the scripture says through the prophet Isaiah:

"They that shall be of thee shall build the old waste places, Thou shalt raise up the foundations of many generations, and thou shalt be called the repairer of the breach, the restorer of the paths to dwell in."

(Translation):

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, representing a riding where

there are many farmers, I consider it a privilege to comment tonight on this piece of legislation, one that is most important not only to the farmers in my area and farmers generally, but to everybody in Canada.

(Text):

Mr. Speaker, at this stage in the debate three things have become most clear in the present legislation which is before us. First, it is legislation designed to keep Canadian farmers on the farms. Second, it is also designed to raise farm income in every section of this country, be it in the west or east. Third, it is legislation designed to give the farmers of this country a fair share of the national income. This is something that this government has striven for in the past, as it is striving for now.

In my brief remarks I would like to state that the legislation before us adheres to certain definite principles which this government always keeps before it in promoting legislation. In reading the present bill, hon. members will see that it is realized that the provinces and the local people know best what is best for themselves. Unlike other administrations, the present administration consults rather than dictates. Thus this is very broad legislation which sets out the purported agreements with the provinces on a local level. I repeat that this government believes most forcibly and truly in the principle that people know best what is best for themselves on the local level.

Another principle of this legislation relates to the notion that this government and this party have an obligation to the future. Up to the present time many speakers have outlined the fact that this legislation has to do with conservation and reforestation which will bear much fruit for farmers of future generations.

In past debates much was said about this pamphlet entitled, "A.R.D.A.," coming out in contravention of the rules of this house. There is nothing in this pamphlet which implicitly states that an act of parliament had already been passed. This pamphlet just goes to show that this government and this party do not dictate to the people what is good for them. We consult the people.

I can inform all hon. members that the farm forums right across this nation and all farm groups are taking a particular interest in this legislation. They are reading this pamphlet; they are discussing it in their farm forums in all parts of the country. I repeat, this pamphlet recognizes the fact that it is best first to consult with the people when legislation of this kind is put before parliament. I repeat, we consult, sir, we do not dictate.

(Translation):

Mr. Speaker, I wish also to congratulate and thank the parliamentary secretary to the Minister of Agriculture (Mr. Jorgenson) for his remarks concerning the Mount Sutton development in the Brome-Missisquoi riding.

I can say that this project will be helpful not only to farmers in my area, but to the economy and to people in general.

I also wish to congratulate the Boulanger family, of Sutton, and their associates for their noteworthy initiative. This is a good example for many regions of our young country, Canada.

(Text):

I should just like to mention, sir, the initiative that is being shown by the citizens of Sutton regarding the development so ably mentioned by the hon. member for Provencher (Mr. Jorgenson) the parliamentary secretary to the Minister of Agriculture. With him, I should like to congratulate the citizens of Sutton on the initiative they have shown in the Mount Sutton development. So far as this bill is concerned, it shows what can be done when action and enterprise of this sort are undertaken. The present legislation is being discussed by farmers and farm forums throughout the length and breadth of this land.

In his remarks yesterday the hon. member for Bonavista-Twillingate tried to suggest that possibly while the government did not intend this to happen, farmers earning a gross or a net income of $1,200 a year or less would be forced to leave the farm. Such is not the case. The real intent behind this legislation is to raise farm income and to keep farmers on the farms. I think it would be irresponsible to suggest that either directly or indirectly this is legislation which will encourage farmers to leave the farms. It is most irresponsible to suggest, as was done indirectly by certain hon. members, that this legislation will drive farmers in the low income brackets off their farms. I know this was suggested in my own area by certain individuals and I should like to deny this rumour right here and now. As I said at the outset of my remarks, this is legislation designed to keep farmers on the farm, to raise farm incomes and to give the farmers of this nation a fair share of the national income.

I am sure it is legislation which will be received well not only by farmers in my area but by the farmers in all sections and in all provinces of this country. For that reason, along with other hon. members who have just spoken, I should like to commend it to hon. members.

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, as a western member and representative of one of the best farming constituencies in Canada, I am very happy to have this opportunity to rise and support Bill No. C-77. Since it will take more than two minutes to outline my support, may we call it 10.30?

Mr. Speaker: Is it agreed that it is 10.30?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, I wonder whether I can suggest to the house leader that we go on with legislation tomorrow. We seem to be making pretty good progress with legislation and it might facilitate the conclusion of the session.

Mr. Churchill: I welcome all these suggestions, Mr. Speaker, but I think we will follow the program as outlined. Tomorrow we shall carry on with the estimates of the Department of Trade and Commerce. If they are finished tomorrow that will shorten the session and then we shall go on with the estimates of the Department of Northern Affairs and National Resources, followed by the estimates of the Department of Fisheries. According to the time which was spent on these departments last session, we should finish the three by Saturday evening. If not, we have available the estimates of the Department of Transport.

At 10.30 p.m. the house adjourned, without question put, pursuant to special order.

ANSWER TO QUESTION

The following answer, deposited with the Clerk of the house, is printed in the official report of debates pursuant to standing order 39:

KITWANGA INDIAN RESERVE, B.C.—LAND SURVEY

Question No. 198—**Mr. Howard:**

1. Has any agency or department of the federal government undertaken a survey or appraisal of the value of the land and timber of the Kitwanga Indian reserve which was used or destroyed by the government of the province of British Columbia for highway 16?

2. If so, what, in detail, are the results of the said survey or appraisal insofar as area of land, volume of timber by species, and valuation is concerned?

Question

Answer by: **Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration):**

1. Yes.

2. (*a*) Land valuation

Kitwanga reserve No. 1—59.4 acres at $20 per acre	$ 1,188.00
Timber reserve No. 2—19.42 acres at $20 per acre	388.40
	$ 1,576.40

(*b*) Timber valuation

Kitwanga Indian reserve No. 1

Material	Cordwood cords	Price	Value	Logs BM	Price	Value	
Cottonwood	1,220	$1.00	$1,220.00	60	$2.50	$150.00	
Birch	700	1.50	1,050.00				
Spruce	285	1.00	285.00	38	4.50	171.00	
Pine	125	1.50	187.50				
Hemlock							
Cedar	30	1.25	30.00				
			$2,772.50			$321.00	$3,093.50

Timber reserve No. 2

Material	Cordwood cords	Price	Value	Logs BM	Price	Value	
Cottonwood	222	$1.00	$222.00	81	$2.50	$202.50	
Birch	210	1.50	315.00				
Spruce	106	1.00	106.00	68	4.50	306.00	
Pine	30	1.50	45.00				
Cedar	128	1.00	128.00				
Hemlock	136	1.25	170.00				
			$986.00			$508.50	$1,494.50

Plus 3,000 lineal feet of cedar poles at 2 cents	60.00	60.00
		$4,648.00

HOUSE OF COMMONS

Wednesday, May 3, 1961

The house met at 11 a.m.

CIVIL DEFENCE

NATIONAL EXERCISE TO BE HELD ON MAY 5

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, with the leave of the house I should like to make a statement on the national exercise in civil defence to be held on Friday, the purpose of which will be to test the emergency measures being developed by the federal and provincial governments and the municipalities.

This exercise was announced in March. At that time I said in a press statement that the purpose was to practise those emergency measures which are necessary for national survival and the continuity of government at all levels, to test the preparations that have been made and locate whatever gaps exist in planning and preparations.

The threat of a nuclear war is a constant companion of all who occupy positions of responsibility and trust, and because of that fact this government has put forward every effort on behalf of disarmament. I know there are some who say that the taking of any defensive preparations in the military or civil fields amounts to an admission of the inevitability of war. We do not take that view. Rather it is a recognition of the facts and realities that causes us to make preparations to the end that we shall be ready in the event that war should take place.

The survival operations which will take place on Friday are designed, with the co-operation of the provinces and municipalities, to assure that as far as possible many who otherwise would be certain victims might survive. The exercise will commence with the sounding of warning sirens now being operated by the army. There will be a broadcast explaining the nature and purpose of the exercise, and the public will be informed by continuing statements by radio and television that what is taking place is only an exercise and that there is no need to take alarm. Indeed, this morning I heard one of those messages put over C.B.C. advising people well in advance so that nothing in the nature of fear could possibly overtake any of our people.

In this exercise the public is not being asked, however, to participate as individuals or as families. The main operation will take place at a central headquarters and at ten regional headquarters. The central headquarters will be located at Camp Petawawa, and at that location the government will be represented by the Minister of National Defence, the Minister of Defence Production, the Minister of National Health and Welfare and possibly by one or two other ministers. I would appreciate it if Her Majesty's loyal opposition were to feel it could name one of its members to attend—I see a smile on the face of the hon. member for Essex East (Mr. Martin), who has always taken an interest in this regard—and perhaps members of the C.C.F. group would choose one of their number. They could join with the others at Camp Petawawa and see the operations at headquarters. There will be more than 150 officials from federal departments and agencies and from the army participating in the exercise at Petawawa.

At the regional centres which have been set up in connection with this particular exercise there will be representatives of the civilian side of the federal government, of provincial governments and of the army. In some cases ministers of provincial governments will be present. Senior army officers will be there to direct the work of the army in the field in connection with survival operations.

As I informed the house in August last, it is the intention in the event of war to designate in advance in each of the regional centres of government a senior representative of the federal government who will have authority to act on behalf of the federal government, particularly when communications with the national headquarters are interrupted or inadequate. Among the representatives of the government who will occupy the role of regional commissioners for the purpose of this exercise will be the Minister of Justice, who will do so at the centre at Nanaimo. The Associate Minister of National Defence will do so at Valcartier, Quebec; the parliamentary secretaries to the Prime Minister will perform this role at Camp Borden, Ontario, and at Fredericton, New Brunswick. The parliamentary secretary to the Minister of National Defence will do so at Aldershot, where the Nova Scotia headquarters will be. In Nova Scotia, I might point out, the defence aspects of the arrangement are of particular importance. For the three

prairie provinces the parliamentary secretaries to the Ministers of National Revenue, Veterans Affairs and Agriculture will represent the government in the provinces in which they normally reside. The federal emergency measures regional officers for Prince Edward Island and Newfoundland will serve as acting regional commissioners at the centres in those two provinces.

This major exercise will require the co-operative efforts of hundreds, if not thousands, of persons in municipal, provincial and federal civilian services. The co-operation shown has been most commendable. We have to be prepared, and without having had any previous experience with anything like it there is only one way in which these preparations can be made. That is in the manner we intend to follow on Friday, to substitute for an actual experience which all of us hope will not occur in our country or in any country in the world.

Hon. Paul Hellyer (Trinity): Mr. Speaker, like the government we believe every effort should be made to work out a world wide disarmament agreement while there is yet time, but in the interim we believe it is only prudent that we should plan for any eventuality which might occur. In this respect we have stated our position, that in the event we have to live in a world where two great powers face each other over a period of years or decades, each with a capacity to wipe out the homeland of the other, we must take such precautions as we can by way of passive defence.

The Prime Minister has said that this exercise is being sponsored to determine the extent to which the planning to date is effective, and to determine the gaps that exist in the planning. We will permit the Prime Minister a bit of poetic licence this morning. We suspect that the situation now is that the gap exceeds, so far, the concrete results which have been achieved.

There is, we understand, a fall-out pamphlet which has been prepared and is now ready for distribution. We should have thought it logical that this pamphlet would have been distributed in advance of the exercise so the public at large might have had the opportunity to peruse it and to make such preparations, and give the matter such thought, as would seem fitting to them. We understand, however, that it will not be released until after the exercise on Friday, and until after the Prime Minister has appeared on the television news program that evening.

The interest of the hon. member for Essex East in these matters is well known. He has contributed much to the public interest, not only in the matter of disarmament but also in regard to steps which must be taken to prepare ourselves for any eventuality in our homeland. He has put forward a number of worth-while suggestions, and we are glad to see that the government has taken some of them into consideration. Those of us on this side have also shown interest in extending the plan. You will recall the dismay we felt last summer, when we learned that even the basic equipment necessary for civil survival had not yet been acquired by the government. We understand that some crash programming has been done in the meantime, and we now look forward to learning something of the extent of it as a result of the exercise on Friday.

We are glad to hear that so many members of the government will be participating in this exercise. It is also nice to know that it is the government's belief that at least one member of each of the opposition parties should be spared in the event of an attack. That does not seem an unreasonable ratio having regard to the distribution of hon. members in the House of Commons at the present time. All we can say is that we hope the facilities provided for survival at these particular locations, which have been so designated, will be such that the government members, and indeed the opposition members who are privileged to be there, will themselves have the opportunity to survive and join the rest of us after the exercise is finished.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, let me say that members of this group do not wish to make any political capital out of the unfortunate necessities of our time. We appreciate the action of the Prime Minister in informing the house of the plan and of some of the details of this survival exercise. We are also glad to know that the public is being well informed in advance. This is very necessary in exercises of this kind. However, Mr. Speaker, I am certain that all hon. members, regardless of party, hope that the efforts of the Secretary of State for External Affairs and all those associated with him in the United Nations and other gatherings to promote disarmament and work for peace will be crowned with success.

We in this group trust that this exercise will emphasize the necessity of increasing support for those who are doing their best under very difficult and frustrating international circumstances to make certain that the genuine article so far as survival is concerned will not be required.

PUBLIC SERVICE

TABLING OF PROGRESS REPORT OF ROYAL COMMISSION

Right Hon. J. G. Diefenbaker (Prime Minister): I wish to table copies in English and in French of the first progress report of the royal commission on government organization. Copies will be made available today to members of the House of Commons.

NORTHERN AFFAIRS

YUKON AND NORTHWEST TERRITORIES—EXPANSION OF DEVELOPMENT ROAD CONSTRUCTION

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, I am happy to announce an expansion in the government policy for the construction of development roads in the Yukon and Northwest Territories. In doing so, Mr. Speaker, I should like to take this opportunity to welcome the hon. member for Mackenzie River (Mr. Hardie) back to his place in the house. This is an occasion that he can help to celebrate with us.

Hon. members will recall that since 1958 the government of Canada has been actively engaged in the construction of roads to encourage prospecting for and the development of resources. This policy parallels in the territories the roads to resources program in the provinces. It has resulted in a thousand miles of development roads now in use or in some stage of construction in northern Canada. Practical experience has shown that to keep pace with the upsurge in northern development, and also to meet the diversified needs of the north, greater flexibility is required in road construction policy.

Under the new policy, four categories of development roads will be recognized. There are area development roads, which open up relatively undeveloped regions, and mine development roads, which serve an area where two or more mining companies have made substantial progress toward large scale production. These will be financed entirely by the federal government. Mine access roads which serve the property of one mining company capable of achieving production on a large enough scale to warrant federal assistance will be financed two thirds by the federal government and one third by the company concerned. This parallels similar arrangements existing in the provinces under the roads to resources program.

The former policy made no provision for tote roads or trails. These are low standard roads, built to provide temporary, seasonal, or year round access to the property of an individual company to bring in supplies or equipment for exploration, development or

small scale production. To meet this special need parliament will be asked to approve annual grants in the amount of $50,000 to each territorial government, from which the territories may assist the companies concerned.

The new policy will provide assistance in the development of a number of mining prospects which are of great importance to the Northwest Territories, the Yukon and Canada as a whole.

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, before I comment on the statement made by the Minister of Northern Affairs and National Resources, perhaps you would allow me to say a few words on a question of privilege, shall I say. In the past three months there were times when I had serious doubts of ever returning to this house. As hon. members know, cancer is a very emotional word. At the same time, I feel I have come through dark days and am now back in the house to stay for some time.

I want to thank you, Mr. Speaker, and through you the Prime Minister, the leader of my party, the leader of the C.C.F. and all other members of the house and their wives for what they have done for me and my family over the past few months. I am sure it had a great deal to do with my being here today.

At this time I should also like to express my sincere gratitude to my physician and surgeon, the staff of the Civic hospital and the doctors and staff of the Ontario cancer foundation. They treated me royally. They have done all they can and all I can do now is hope. I also want to express my sincere thanks to the staff of the House of Commons and members of the press gallery. I am sure that each and every one of my many friends in the house, along with my friends from coast to coast and the people of my riding, who sent me cards, letters and telegrams with words of encouragement and who offered their prayers for me have had a great deal to do with my recovery.

As a matter of fact, the other day I was feeling fairly good and I paid a visit to a woman I had met in the hospital a year ago. She told me about an old fellow of about 80 or 85 who lived near her. She said, "Everybody around here is praying for him to live and he should be dead". She said, "I told them to lay off". You know, this business of prayer snowballs. She said, "There is real power in prayer". Before I left she said to me, "Do you want me to put you on my list for a few prayers?" I did not refuse, of course; I said, "If you have that kind of faith and a man who should not be here is here, I would be happy to be on your list".

I also wish to thank my wife who spent many hours waiting at bus stops on her way to and from the hospital to visit me once or twice every day. I say again, ladies and gentlemen of the House of Commons, that I am glad to be back, and I want to thank each and every one of you from the bottom of my heart. I do not think words can express the feelings I have for each of you.

With regard to the statement made by the Minister of Northern Affairs and National Resources, I am sure the people of the north will be very happy to hear of the new policy on development roads which will provide more flexibility with respect to companies that find ore, in the building of roads to their properties. I am sure the people of the north will agree with me today when I say that I am very happy to have heard the statement of the Minister of Northern Affairs and National Resources.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, it is very obvious indeed from the applause that all members of the house rejoice at the return of the hon. member for Mackenzie River to the house after a lengthy and severe illness. I am sure we all admire his excellent spirit and courage, and hope he will soon be restored to such health that we shall have no hesitation in criticizing him as usual when we differ. I think it was a happy coincidence that the Minister of Northern Affairs and National Resources should have made his announcement today. Knowing him, I judge it was a very kindly gesture.

STARRED QUESTIONS

C.N.R.-TRUCK COMPANIES, MARITIME PROVINCES—AUDITORS

Question No. 268—**Mr. Badanai:**

1. Who is the auditor of the following companies listed on page 27 of the Canadian National Railways 1960 annual report: Eastern Transport Limited; East-West Transport Limited; Empire Freightways Limited; Sydney Transfer and Storage Limited?
2. When was he appointed?
3. Was this appointment of auditor of these companies included in the C.N.R. system made and the fees set by parliament as prescribed by legislation?
4. Under what authority was Mr. J. A. de Lalanne appointed, and who set his fees?
5. What firm of public accountants represents Mr. de Lalanne in his capacity as government appointed auditor of the C.N.R.?
6. What firm of auditors audited the books of East-West Transport Limited as shareholders' auditors immediately before the C.N.R. purchased the company?
7. What firm of auditors did the C.N.R. engage to make an "independent" investigation of East-West Transport Limited before they bought it?
8. Is it usual for the same firm of auditors to be acting for both sides in a sale, particularly when a crown corporation is the buyer and the crown corporation's government appointed auditor has an interest in the auditing firm?
9. Have proceedings been instituted by East-West Transport Limited against the C.N.R.?
10. What is the nature of the proceedings, and has the lawsuit yet been disposed of?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the management of Canadian National Railways advise as follows:

1. Mr. J. A. de Lalanne, chartered accountant, in the case of each company listed.

2. The dates of appointment were as follows: Eastern Transport Limited, October 1, 1960; East-West Transport Limited, November 17, 1960; Empire Freightways Ltd., November 22, 1960; Sydney Transfer and Storage Ltd., September 30, 1960.

3. No.

4. By authority of the shareholders of each company. His fees have not yet been set.

5. McDonald Currie and Company.

6. The records of the company show Price Waterhouse and Company as auditors for the fiscal year ending February 28, 1959, and that McDonald Currie and Company were appointed by the then shareholders for the next ensuing fiscal year, in order to avoid a duplication of audit in view of the sale in contemplation.

7. McDonald Currie and Company.

8. Prior to the signing of the agreement of sale on March 16, 1960, McDonald Currie and Company were acting for the purchaser only, and not for both sides in the sale. See also answer to No. 6.

9. An action has been instituted by the vendors of the shares of East-West Transport Limited and a counterclaim on behalf of Canadian National Transportation Limited. The action and counterclaim arise out of alleged lack of performance by the parties to the sale.

10. See answer to No. 9.

ALLEGED MISSING INCOME TAX FILES

Question No. 272—**Mr. Herridge:**

1. Has the Minister of National Revenue been informed that income tax files, the subject of charges published by Samuel Morris of Vancouver, respecting certain individuals and companies, and relating to large-scale tax evasion, are missing from the Vancouver and Ottawa offices of the Department of National Revenue?
2. Can the minister inform the house what has happened to these files?
3. What investigations have been made as to the files and the charges?
4. Were any recommendations made by officials of the department for prosecution against the persons and companies involved?
5. If so, what action has been taken?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the answer is as follows:

1. The Minister of National Revenue is not aware of any income tax files pertaining to

particular individuals or companies being missing in either the Vancouver or Ottawa offices of the taxation division or the department or, I might say, elsewhere in the country.

2. Periodically, following well established policies and procedures, files may be destroyed after they have served their purpose.

3. Although there was no knowledge of Mr. Morris of Vancouver having published any charges in respect of large scale tax evasion, certain representations as to tax evasion made by him in 1959 and 1960 to the Minister of Justice and to the Vancouver taxation office were duly investigated but no sufficient grounds were found to establish tax evasion.

4 and 5. Answered by 3.

HYCROFT VETERANS' HOME, VANCOUVER

Question No. 286—**Mr. Taylor:**

1. When were the lands and premises known as the Hycroft veterans' home, Vancouver, British Columbia, granted to the federal government?
2. Who granted the premises to the federal government, and were there any terms or conditions that the premises should not, in turn, be sold by the federal government for commercial purposes?
3. Has crown assets disposal corporation offered the premises for sale, and, if so, who is the highest bidder?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, the answer is as follows:

1. November, 1942.

2. The premises were granted to the federal government by Hycroft Limited, the grant being subject only to restrictions incorporated in a statute of the province of British Columbia. Amendments to that statute extended the restrictions to January 1, 1970.

3. Yes, the name of the highest bidder being C.A.C. Construction Limited, 355 Burrard street, Vancouver, B.C.

C.N.R. LETTERING AND COLOUR CHANGES

Question No. 289—**Mr. Pitman:**

1. On what date did the Canadian National Railways make a major policy decision regarding the changing of the lettering and colour scheme for engines, passenger coaches, and boxcars?
2. What is the estimated cost of this change?
3. What has been the cost of this change up to December 31, 1960?
4. What has been the cost of this change up to March 31, 1961?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the management of Canadian National Railways advised as follows:

1. No final decision has been reached with respect to proposed new design and colours for new locomotive and passenger cars, although certain experiments are now being conducted. A model of a locomotive in new colour is depicted on the cover of the 1961 timetable. New design and lettering for box cars was approved in November, 1960.

2. There has been no significant change in the cost of repainting box cars. The new symbol is being applied to those cars only when and as they come up for repainting in the normal course of maintenance. There has been no change in the type of colour in the paint used on the body of the car. The new symbol requires only one colour as compared with the two used previously.

3. See answer to No. 2.

4. See answer to No. 2.

DIESEL ENGINE DAMAGE, C.N.R.

Question No. 290—**Mr. Howard:**

1. Since January 1, 1959, has any diesel engine of the Canadian National Railways been damaged by reason of overheating or by "burning up"?
2. If so, when did each such damage occur, what has been the cost of making repairs, how many cars containing what types of goods were being moved at the time of the damage, and how many diesel units were being used at the time, and to what degree were the said units being operated?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the management of Canadian National Railways advise as follows:

1. There have been failures encountered in the normal course of operating diesel locomotives which involve, to some degree, the overheating of locomotive components.

2. If the question refers to the overloading of locomotives there have been no cases of burning up of locomotives due to this cause.

C.N.R. MATERIALS SUPPLIED TO PRESIDENT'S PROPERTY

Question No. 291—**Mr. Fisher:**

1. In 1957, 1958, 1959, 1960, did the Canadian National Railways provide the property of the president at Lustre lake, Quebec, with materials such as naphtha gasoline or services such as laundry, carpentry, and plumbing?
2. If so, what charges were made and paid in each of these years for such material and services?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the answer is as follows:

1 and 2. Mr. Gordon advises that he has purchased items of supply from the C.N.R. as follows:

Naphtha and gasoline: 1957, $9.68; 1958, $41.23; 1959, $15.17; 1960, $14.85.

Laundry—records not available for 1957 and 1958: 1959, $30.83; 1960, $27.21.

Materials: 1957, $7.60; 1958, $25.60; 1959 and 1960, $378.29.

Labour: 1957, $90.00; 1958, $20.00; 1959 and 1960, $430.78.

JOHN WASLYCHEN

Question No. 292—**Mr. Howard:**

1. Since July 24, 1958, was the late Mr. John Waslychen (No. 9511), while he was an inmate

Starred Questions

in the British Columbia penitentiary, charged with any crimes or misdemeanours within the said penitentiary?

2. If so, and with respect to each such charge, what was (a) the nature of the charge (b) the date that the charge was laid (c) the name and position of the person who laid the charge (d) the date that Mr. Waslychen appeared in warden's court (e) the verdict of the warden's court (f) the nature of the disciplinary measure, if any, meted out by the court (g) the date of commencement and termination of each such disciplinary measure which was one of placing Mr. Waslychen in dissociation, and the type of diet which applied in each case, and the duration of each such diet?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, this question seeks a good deal of information which is not available here in Ottawa and which will have to be secured elsewhere. Because it will require a lengthy and detailed reply may I ask that this question be made an order for return, which I assure the hon. member will be furnished as soon as possible.

Mr. Speaker: Order for return.

NOVA SCOTIA LIGHT, HEAT AND POWER—GRANT

Question No. 293—**Mr. McWilliam:**

1. Was a subsidy or rebate, or grant made to the Nova Scotia Light, Heat and Power Corporation in 1960?

2. If so, in what amount, or amounts, and to whom was it distributed?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, the answer is as follows:

1. Under the Atlantic Provinces Power Development Act and the agreements made thereunder, a subvention of 7.43 cents per million B.T.U.'s of heat value was paid in respect of maritime coal used in Nova Scotia's thermal power utilities. This subvention was paid to the Nova Scotia power commission as agent for the Nova Scotia government.

2. I am informed by the Nova Scotia power commission that the amount paid by that commission to the Nova Scotia Light, Heat and Power Corporation for 1960 was $328,704.38 in respect to maritime coal used for the production of electricity.

HOG IMPORTS AND EXPORTS

Question No. 294—**Mr. Boulanger:**

For the calendar year 1960, how many hogs of any grade, or form, have been (a) imported from the United States to Canada (b) exported from Canada to the United States?

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): Mr. Speaker, the answer is as follows:

(a) Imports of hogs are not separately classified.

[Mr. Howard.]

(b) Exports from Canada to the United States calendar year 1960: Swine, pure bred, for improvement of stock (class 2025), 598; Swine n.o.p. (class 2080), 5,002.

HOG CHOLERA EPIDEMIC—RESTRICTIONS ON U.S. IMPORTS

Question No. 295—**Mr. Boulanger:**

1. Since September 1960, was there any restriction on the import of hogs from the United States to Canada on account of hog cholera epidemic?

2. If so: (a) what is the type of restriction? (b) when was it applied?

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): There have been no new restrictions, but for approximately 50 years all importations of live hogs from the United States have been subject to United States veterinary certification and 30 day quarantine at the port of entry.

DEMONSTRATION OF UNEMPLOYED, OTTAWA

Question No. 296—**Mr. Carter:**

1. Did the Department of Labour or one of its employees make a head count of the unemployed who took part in the demonstration in front of the parliament buildings on Tuesday, April 25, 1961?

2. Was the number counted 347 as reported in the *Globe and Mail* of April 26, 1961? If not, what was the actual number?

3. Has the government investigated a statement attributed by the *Globe and Mail* to Mr. Pat Walsh that among the demonstrators were 72 full-time communists who were not out of work in any sense of the word but had taken leave to join in the demonstration? If so, with what results?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, the answer is as follows:

1. Yes.

2. No, the actual count was 379.

3. No investigation has been conducted by the Department of Labour.

DRUG INVESTIGATION—DISTRIBUTION OF EVIDENCE

Question No. 297—**Mr. Howard:**

1. Has the restrictive trade practices commission or any other person provided copies of the statement of evidence of the combines investigation branch regarding the selling and pricing policies of certain pharmaceutical houses in respect of new types of drugs to any person, company, or government official, department, or agency (whether provincial or federal)?

2. If so, what is the name and address of each such person, company, or government official, department, or agency (whether provincial or federal)?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the answer is as follows:

1. Yes.

2. The Combines Investigation Act makes it clear that it was the intention of parliament that any inquiry by the director is to be conducted in private and that any report or statement of material prepared by him is restricted to use in proceedings b fore the commission. This is because a statement prepared by the director is not necessarily conclusive of the facts and conclusions disclosed therein with respect to parties who may be involved in the inquiry, and it is parliament's intention that opportunities should be given to persons who may be affected by the statement to make representations to the commission presenting their explanations and points of view before any official finding or report is made public.

I am informed that on receipt of the volume of material compiled by the director, the commission invited submissions and representations from drug firms from which the director had received information, from trade organizations, public health and welfare groups and from other organizations and individuals who might be expected to be interested in the matters involved in the inquiry.

The commission desired to obtain in this way all possible additional information and views which would be of assistance to the commission in considering the director's report and conducting any hearings arising out of it.

The volume containing the material compiled by the director has not been published by the commission, but in order to assist in the preparation of submissions copies of the document have been made available to the interested parties for this purpose.

Any publicity given to the material contained in the director's statement must therefore have originated from some person who had received a copy from the commission for the purpose of preparing submissions. This is unfortunate, but does not relieve me from the obligation of maintaining privacy.

The statement of the director and the submissions of interested persons are in due course, under the scheme of the act, made the subject of a full report by the commission to the Minister of Justice, and at that stage that report, which contains all the relevant information, is made public.

I consider, therefore, that disclosure of the names and addresses of persons to whom copies of the statement have been supplied, at a time when the proceedings before the commission have not been ordered by the chairman to be conducted in public, would be a violation of the principle of privacy. I must therefore take the position that the information requested by the hon. member cannot properly be disclosed.

90205-6—270½

Starred Questions

AUTAIR HELICOPTER SERVICES—INSURANCE CANCELLATION

Question No. 299—**Mr. Chevrier:**

1. Did Autair Helicopter Services Limited ever have its insurance cancelled?
2. If so, how often, and on what dates?
3. With what companies, and for what reasons?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the answers to this question are as follows:

1 and 2. Yes, on two occasions; August 7, 1959, and October 31, 1959.

3. The insurance underwriters, respectively British Aviation Insurance Company Limited and Lloyds, did not give any reasons.

AUTAIR HELICOPTER SERVICES—STOCK TRANSFER

Question No. 300—**Mr. Chevrier:**

1. Has an application been made to the air transport board for the transfer of the stock of Autair Helicopter Services Limited to Spartan Air Services Limited?
2. Has it been approved by the board?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, in reply to part 1, the board has received notice only of the proposed transaction.

With respect to part 2 the answer is no.

AUTAIR HELICOPTER SERVICES—ACCIDENTS

Question No. 301—**Mr. Chevrier:**

1. Did Autair Helicopter Services Limited have any accidents with its aircraft equipment during the years 1959, 1960, and 1961?
2. If so, how many such accidents did it have, and what was the nature of each?
3. What aircraft were involved?
4. Did the accidents result in partial or complete write-off of these aircraft?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I would ask that this question be made an order for return.

Mr. Speaker: Order for return.

UNEMPLOYMENT INSURANCE FUND

Question No. 302—**Mr. Robichaud:**

What was the amount to the credit of the unemployment insurance fund on March 31, 1961, as compared with March 31, 1957, 1958, 1959, and 1960?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the answer to this question is as follows:

March 31, 1957, ...$874,574,651.66;
March 31, 1958, ...$744,200,124.87;
March 31, 1959, ...$499,811,157.51;

Mr. Martin (Essex East): Not so fast.

Mr. Fleming (Eglinton): —

March 31, 1960, ...$365,892,232.95;
March 31, 1961, ...$185,437,165.28,

the last being an interim figure.

Starred Questions

OIL DRILLING PERMITS NORTH OF LATITUDE 70

Question No. 303—**Mr. Badanai:**

1. How many permits have been issued for oil drilling in the Arctic, north of latitude 70?
2. Has any actual drilling taken place, and, if so, by whom?
3. What number of permit holders would qualify as Canadians?
4. What is the number of other than Canadian permit holders?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, the answer to this question is as follows:

1. 876.
2. No.
3. 16.
4. 9.

NORTHERN AFFAIRS—J. B. NEILL ADVERTISING AGENCY, BRANDON

Question No. 304—**Mr. Pickersgill:**

1. Has the Department of Northern Affairs and National Resources placed any advertising with the J. B. Neill Advertising agency of Brandon, Manitoba?
2. If so, on what date was the first advertising placed with this agency?
3. How long has this agency been in operation, and what are the names of its directors?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, the answer to this question is as follows:

1. Yes.
2. December 30, 1960.
3. This agency has been in operation since 1957 handling accounts for companies such as Anglo-Canadian Oils, Binkley Motors, Canadian Brown Steel Tank. Mr. Barry Neill is the proprietor.

[*Later:*]

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to address a question to the Minister of Northern Affairs and National Resources. Can the minister assure us that we are correct in the assumption, based on his answer to starred question No. 304, that the J. B. Neill Advertising agency of Brandon, Manitoba, is a proprietorship rather than an incorporated company?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): That is correct, Mr. Speaker.

POST OFFICE, BEAUCEVILLE, QUE.

Question No. 308—**Mr. Racine:**

1. When will the lease concerning the premises of the post office at Beauceville expire?
2. Is it the intention of the department, at the termination of the said lease, to erect a building to be used as a post office?
3. Were options taken on any parcel of land in view of this proposed construction, and, if so, from whom were such options taken, what are the sites, and the amounts involved?

Mr. Y. R. Tassé (Parliamentary Secretary to the Minister of Public Works): Mr. Speaker, the answers to this question are as follows:

1. The lease expires August 31, 1961, with option to the crown to renew for one year on the same terms and conditions.
2. No decision has been reached.
3. No, not by the Department of Public Works.

JOHN BRODIE, JASPER—PETITION

Question No. 309—**Mr. Batten:**

1. Has the government received a petition from citizens of Jasper, Alberta, on behalf of Mr. John Brodie, a former garage foreman at Jasper?
2. If so, what reply has the government made to the arguments in this petition concerning the reason for discontinuing Mr. Brodie's services?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, a question on this subject in the name of the hon. member for Assiniboia has been made an order for return. This return will be tabled very shortly and will give all the information requested by the hon. member for Humber-St. George's.

Mr. Speaker: Is the minister asking that this be included in the orders for returns?

Mr. Dinsdale: Yes, Mr. Speaker.

Mr. Speaker: Order for return.

QUESTIONS PASSED AS ORDERS FOR RETURNS

COAL IMPORTS—TARIFF CLASSIFICATIONS

Question No. 191—**Mr. Fisher:**

1. Are coal imports classified by any standards for customs or tariff purposes by the federal government?
2. If so, what are the standards for anthracite coal?
3. In 1960 and 1961, what was the amount of anthracite coal imported into the maritime provinces by volume and by standard?

JOHN WASLYCHEN

Question No. 292—**Mr. Howard:**

1. Since July 24, 1958, was the late Mr. John Waslychen (No. 9511), while he was an inmate in the British Columbia penitentiary, charged with any crimes or misdemeanours within the said penitentiary?
2. If so, and with respect to each such charge, what was (a) the nature of the charge (b) the date that the charge was laid (c) the name and position of the person who laid the charge (d) the date that Mr. Waslychen appeared in warden's court (e) the verdict of the warden's court (f) the nature of the disciplinary measure, if any, meted out by the court (g) the date of commencement and termination of each such disciplinary

measure which was one of placing Mr. Waslychen in dissociation, and the type of diet which applied in each case, and the duration of each such diet?

AUTAIR HELICOPTER SERVICES—ACCIDENTS

Question No. 301—**Mr. Chevrier:**

1. Did Autair Helicopter Services Limited have any accidents with its aircraft equipment during the years 1959, 1960, and 1961?
2. If so, how many such accidents did it have, and what was the nature of each?
3. What aircraft were involved?
4. Did the accidents result in partial or complete write-off of these aircraft?

JOHN BRODIE, JASPER—PETITION

Question No. 309—**Mr. Batten:**

1. Has the government received a petition from citizens of Jasper, Alberta, on behalf of Mr. John Brodie, a former garage foreman at Jasper?
2. If so, what reply has the government made to the arguments in this petition concerning the reason for discontinuing Mr. Brodie's services?

MOTIONS FOR PAPERS

COMBINES BRANCH REPORT ON NEW DRUGS

Motion No. 113—**Mr. Howard:**

For a copy of the statement of evidence by the combines investigation branch regarding the selling and pricing policies of certain pharmaceutical houses in respect of new types of drugs.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, as I said previously in answer to the starred question to which I have just replied, the whole tenor and provisions of the Combines Investigation Act make it clear that it is the intention of parliament that proceedings and inquiries by the director under the act should be conducted in private. All relevant information is contained in the commission's report when that is compiled, and that of course is made public.

In the circumstances the house will appreciate that I am unable to accept the motion for the production of the statement of material of the director.

Mr. Speaker: Is the hon. member prepared to drop the motion?

Mr. Frank Howard (Skeena): No, Mr. Speaker. Part of this has been made public already, and if the act does not prohibit part of it being made public, I think the whole works should be made public.

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

Division

YEAS

Messrs:

Batten
Benidickson
Bourget
Cardin
Caron
Carter
Chevrier
Clermont
Crestohl
Deschatelets
Dupuis
Eudes
Fisher
Godin
Granger
Habel
Hellyer
Herridge
Howard
Leduc
Lessard
McIlraith
McMillan
Martin (Essex East)
Martin (Timmins)
Meunier
Nixon
Peters
Racine
Ratelle
Regier
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Tardif
Tucker
Winch—37.

NAYS

Messrs:

Aiken
Aitken, Miss
Allmark
Anderson
Balcer
Barrington
Baskin
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Best
Bigg
Bissonnette
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Cadieu
Campbell (Lambton-Kent)
Campeau
Casselman, Mrs.
Cathers
Chambers
Charlton
Chown
Churchill
Clancy
Coates
Comtois
Creaghan
Crouse
Danforth
Diefenbaker
Dinsdale
Dorion
Doucett
Drouin
Drysdale
Dubois
English
Fairfield
Fane
Fleming (Eglinton)
Flemming (Royal)
Fortin
Fulton
Green
Gundlock
Hales
Hanbidge
Harkness
Hees
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Jones
Jorgenson
Kindt
Knowles
Korchinski
Kucherepa
Lahaye
Lambert
Latour
Legere
Lennard
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McGrath
McPhillips
McQuillan
Maloney
Martel
Martineau
Martini
Matthews
Milligan
Monteith (Perth)
Monteith (Verdun)
Montgomery
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
O'Hurley
O'Leary
Ormiston
Pallett
Parizeau
Pascoe
Phillips
Pigeon
Pratt
Rapp
Regnier
Ricard
Robinson

Inquiries of the Ministry

Rogers	Stefanson
Rompre	Stinson
Rynard	Tassé
Sevigny	Thomas
Simpson	Thompson
Skoreyko	Thrasher
Small	Villeneuve
Smallwood	Vivian
Smith (Calgary South)	Walker
Smith (Lincoln)	Webb
Smith (Simcoe North)	Webster
Smith (Winnipeg North)	Weichel
Southam	White
Spencer	Winkler
Starr	Wratten—148.
Stearns	

Mr. Hubert Badanai (Fort William): Mr. Speaker, I did not vote because I was paired with the hon. member for Medicine Hat (Mr. Brunsden), who is unavoidably absent. Had I voted I would have voted for the motion, and he agreed to reciprocate.

ORDERS IN COUNCIL WITHOUT STATUTORY AUTHORITY

Motion No. 116—**Mr. Regier:**

For a copy of all orders in council passed between March 26, 1940, and June 1957, for which no statutory authority existed.

Motion agreed to.

(Translation):

TRANSPORT

SOULANGES CANAL—INQUIRY AS TO FEDERAL DISPOSAL

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the Minister of Transport whether he has reached an arrangement with the government of the province of Quebec with regard to the Soulanges canal?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, in a letter to the minister of game and fisheries of the province of Quebec, I have offered, on behalf of the federal government, a property about 13 miles in length along the Soulanges canal. In addition, we have set aside a certain area for industrial construction. I cannot say exactly how many acres are involved, but it extends about one mile along the canal. However, this proposal has been turned down by the provincial government, so we are now reconsidering the whole question.

Mr. Chevrier: May I ask a supplementary question? Since the discussions were started between the two governments, have any industrial corporations approached the government with a view to locating plants in the area set aside by the minister?

[Mr. Howard.]

Mr. Balcer: Not directly, Mr. Speaker, but a number of chambers of commerce in the area have made representations to have this federal government property set aside so they may have time to approach various industries with a view to bringing industrial construction into the area.

(Text):

NEWFOUNDLAND—FERRY SERVICE BETWEEN EAST COAST AND MAINLAND

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, yesterday the hon. member for Trinity-Conception referred to an article in the St. John's *Daily News* in which I am quoted as stating that the question of a ferry service to the east coast of Newfoundland is still under study. As I stated some days ago in reply to a question by the hon. member for Cape Breton North and Victoria, the report of the interdepartmental committee on this matter is now under study, but in reply to the second part of the hon. member's question I cannot say at the present time when it is expected that the study will be completed.

BUSINESS OF THE HOUSE

BANKING AND COMMERCE—INQUIRY AS TO NEXT SITTING

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask a question of the hon. member for York North who acts as chairman of the banking and commerce committee. Can he tell the house—

Mr. Speaker: Order. Before the hon. member proceeds, I think I should ask him for his authority for putting a question to a private member in his capacity as chairman of a committee. Standing order 39 (1) provides:

Questions may be placed on the order paper seeking information from ministers of the crown relating to public affairs; and from other members, relating to any bill, motion, or other public matter connected with the business of the house, in which such members may be concerned.

Mr. Martin (Essex East): Mr. Speaker, the matter about which I was about to pose a question to the distinguished member for York North had to do with a public matter of concern to this house. Your Honour has asked for the precedent. I would think the rule to which Your Honour has just referred would be my authority. Your Honour will recall that last year a similar question was put by me to the hon. member for Danforth (Mr. Small), a very distinguished member of the industrial relations committee, which has not functioned at all this year; nor did it last year,

in spite of the fact that it has one of the most efficient chairmen. That question was permitted last year. It had to do with whether the chairman would call that committee together so we could study the matter of unemployment. The question was permitted. If it was permitted last year, it ought to be permitted this year. The standing order to which Your Honour has referred is ample authority for my question. I am sure the hon. member is very anxious to reply.

Mr. Speaker: Perhaps the hon. member should put the question and then we can determine whether it is a matter of public business of the house.

Mr. Martin (Essex East): Mr. Speaker, may I ask the hon. member for York North, the chairman of the banking and commerce committee, when that committee will hold its next sitting, and will that sitting be before the Minister of Finance brings in the budget?

Mr. C. A. Cathers (York North): Mr. Speaker, I shall take this question as notice.

COMBINES—REFERENCE OF SUBJECT MATTER OF MERGERS TO BANKING COMMITTEE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a question to the Minister of Justice. In view of the large number of mergers which have taken place recently in the financial, banking and industrial fields, and in view of the statement made by the minister in the banking and commerce committee last year when it was reviewing the merger sections of the Combines Investigation Act, is it the intention of the minister to introduce a motion in the house to refer either the subject matter of the merger sections of the Combines Investigation Act or the sections themselves to the banking and commerce committee for study?

Hon. E. D. Fulton (Minister of Justice): This suggestion has not been considered, Mr. Speaker, in the course of our studies of this question.

SHIPPING

INGONISH HARBOUR, N.S.—REQUEST FOR PROVISION OF ICEBREAKER

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, as the result of several communications from the area concerned I have a question for the Minister of Transport, notice of which has been given. Can the minister advise whether it would be possible to have an icebreaker go to Ingonish harbour, thus enabling the fishermen of this area to commence fishing operations which have been prevented up to this date because of unusual ice conditions?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the department has no icebreaker small enough and at the same time powerful enough to go and clear this harbour. If we were to send a large icebreaker into this narrow harbour it would involve too dangerous an undertaking, I would say.

INQUIRIES FOR RETURNS

On the orders of the day:

Mr. Frank Howard (Skeena): On Thursday, April 27 I posed a question to the Secretary of State, as shown on page 4047 of *Hansard*. It reads as follows:

> I should like to direct a question to the Secretary of State. As the minister is absent, perhaps my question could be drawn to his attention. This is almost the five months' anniversary of an order of this house pertaining to a question of mine about the travelling expenses of members of the cabinet. I wonder whether the Secretary of State would look into this matter and see why there has been this delay in complying with the order.

It was answered by the Minister of Transport, who indicated that he would pass on the information to the Secretary of State. Is the minister now in a position to answer my question?

Hon. Noel Dorion (Secretary of State): It is in the course of preparation, and I will produce it as soon as possible.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of Transport whether he can explain how he can provide an answer, as he did today, to starred question 268, and not provide by this time an answer to starred question 264, which he made an order for return two weeks ago, since a great deal of the information is overlapping.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the answers to both 264 and 265 are being filed today.

TRADE

GRAIN—SOURCE OF STERLING TO FINANCE CHINESE PURCHASES

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, in the unavoidable absence of the Minister of Agriculture I should like to direct a question to the Prime Minister. Can the Prime Minister assure the house that no part of the sterling that communist China is using to pay for its purchase of Canadian wheat was confiscated by the government of

red China from British or other foreign nationals as alleged in a letter to the editor in this morning's *Gazette*?

An hon. Member: Sour grapes again.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I did not read the particular letter. However, naturally such assurances cannot be given by this government, since it is no part of its responsibility.

(Translation):

DRUGS

BARBITURATES—INQUIRY AS TO CRIMINAL CODE AMENDMENTS

On the orders of the day:

Mr. H. Pit Lessard (St. Henry): Mr. Speaker, I should like to put a question to the Minister of Justice. Could he tell us whether amendments will be made to the Criminal Code during the present session in order to control the traffic of goofballs?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, would the hon. member kindly repeat his question?

Mr. Lessard: Could the minister tell us whether amendments to the Criminal Code will be introduced during the present session in order to control the traffic of goofballs?

Mr. Fulton: Mr. Speaker, I believe that my colleague, the Minister of National Health and Welfare (Mr. Monteith) will be making a statement shortly on this subject.

(Text):

NATIONAL DEFENCE

NUCLEAR DISARMAMENT—REPORTED INSTRUCTIONS TO MILITIA FORCES

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Can the minister assure the house that units of the Canadian militia have not been instructed by their commanding officers to organize groups to take political and other action against the supporters of nuclear disarmament, as alleged in a letter to the editor signed by Farley Mowat of Palgrave, Ontario, which was published in the Ottawa *Citizen* on April 22, 1961?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I should like to state categorically that no such instructions have been issued from national defence headquarters, nor is there any intention of so doing. Moreover, the issuance of instructions along the lines suggested in the letter by any commanding officer of a militia unit would be contrary to regulations.

The writer of the letter, in his search for publicity, has on more than one occasion in the past resorted to innuendos and insinuations and has made allegations that have proven to be utterly false. One of the latest of these was his allegation that nuclear weapons were stored at United States bases in Canada.

AIRPORTS

DORVAL—PROVISION OF PUBLIC TRANSPORTATION SYSTEM

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Minister of Transport. I regret that he has not received notice. Is the government contemplating the establishment of a public transportation system inside the monstrosity known as the new airport terminal at Montreal?

Hon. Leon Balcer (Minister of Transport): The answer is no, Mr. Speaker.

(Translation):

BATHURST—DALHOUSIE, N.B.—INQUIRY AS TO CONSTRUCTION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Transport. Has the government decided to build a runway at Bathurst and at Dalhousie, New Brunswick?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, delegations from both communities came here to meet with officials of my department, and asked how the Department of Transport could help them, since these are municipal airports. We gave them the necessary information and we are now waiting for their requests.

Mr. Chevrier: Does the minister intend to make a statement soon about this matter?

Mr. Balcer: As soon as authorities of either of the two municipalities will again have got in touch with the department and indicated their intentions, there is no doubt that the Department of Transport will take those requests into serious consideration.

(Text):

TELEVISION

SASKATOON—RECOMMENDATION OF BOARD OF GOVERNORS RESPECTING LOCATION

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, on Friday last the hon. member for Bonavista-Twillingate inquired concerning a recent recommendation of the board of broadcast governors regarding the establishment of a new rebroadcasting or satellite television station in Saskatchewan.

The board of broadcast governors, at its eighteenth public hearing held on April 11, 12 and 13, 1961, in Ottawa, recommended to the Minister of Transport for approval an application for a licence to establish a new rebroadcasting or satellite television station at Stranraer, Saskatchewan, by A. A. Murphy and Sons Limited, to operate as a satellite of station CFQC-TV, Saskatoon, Saskatchewan. The board gave the following reasons for the approval:

> The board is satisfied that the proposed satellite station will extend a satisfactory service into a substantial area of southwestern Saskatchewan. The board makes this recommendation subject to the condition that the applicant submits to the Department of Transport a satisfactory revised technical brief providing for a suitably designed directional antenna which will reduce the radiation in the southern sector of the coverage area of the proposed station in the direction of station CJFB-TV, Swift Current.

In response to the board's recommendation, the department has now received a technical brief which is considered to be technically acceptable and is being referred to the board of broadcast governors in accordance with section 12 of the Broadcasting Act. There have been no irregularities in the procedures followed by the Department of Transport.

EXTERNAL AFFAIRS

LAOS—INQUIRY AS TO CURRENT SITUATION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether he can give the house any information regarding reports of the successful efforts to arrive at a cease fire in the Laotian situation; and in that event can the minister say what will be the attitude of the international supervisory commission in connection therewith?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, orders to cease all military operations from eight o'clock this morning, May 3, local time, have been issued to the Pathet-Lao and Kong Lae forces in Laos. The forces under the command of the government in Vientiane had earlier indicated their readiness to give a similar order to their troops.

The appeal for a cease fire, which was made by the United Kingdom and Soviet governments on April 24 as co-chairmen of the Geneva conference of 1954, thus appears to have been answered. The difficult task of restoring order and ensuring that the cease fire is observed should now begin.

The international commission for Laos, on which, as the hon. member knows, India, Poland and Canada are serving, agreed on April 30 on the report which it was requested to make to the co-chairmen, the United Kingdom and the Soviet union, and this report was immediately dispatched through Indian diplomatic channels to London and Moscow. The commission is now ready to proceed to Laos, with the concurrence of the co-chairmen, in order to undertake its tasks of verification and supervision. I have as yet had no indication that the two co-chairmen have instructed the commission to proceed to Laos, but I should think such instructions would be given within a matter of hours. If a cease fire is established and is shown to be effective, I see no reason why the conference should not open as planned at Geneva on May 12.

Mr. Martin (Essex East): I should like to ask a supplementary question. Has the minister any comment to make about the statement by the king of Laos that it was not in the interests of his country that the conference should take place, and that it might play into the hands of the Chinese communists?

Mr. Green: There is some uncertainty whether the report of the statement by the king was accurate. We have as yet had no definite word that that position actually was taken by him.

CUBA—REPORTED CLOSING OF RELIGIOUS INSTITUTIONS

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Secretary of State for External Affairs whether his attention has been directed to the statement by Premier Castro and the government of Cuba that they are going to close all religious institutions in that country, including some that are owned by and under the control of clergymen and congregations from this country.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the statement made by Premier Castro did not go so far as to indicate that this new rule would apply to any Canadians. We think it

is intended to apply to the Spanish born clergy in Cuba. I do not believe it would be appropriate to speculate on the manner in which Canadian missionaries in Cuba may be affected by this contemplated legislation until more is known about its provisions. As I have said, however, I believe that the intention was to apply the new policy to the Spanish born clergy.

There are at the moment 46 Canadian Catholic priests and 64 Canadian nuns in Cuba, and we are endeavouring to get this whole question cleared up as quickly as possible.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I should like to address a question to the Minister of Finance. In view of the numerous and varying conjectures since the minister replied to the hon. member for Winnipeg South the other day as to the probable date of the presentation of the budget, can the minister now be more specific as to the likely date of presentation?

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

PUBLIC BUILDINGS

ROUYN, QUE.—APPEARANCE OF NEW POST OFFICE

On the orders of the day:

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, in reply to the question of the hon. member for Levis yesterday as to complaints about the Rouyn, Quebec, post office, may I say that complaints have been received by the department. The appearance of the building will be improved by the removal of a construction shack and the contractor's signs. Also, efflorescence on the brickwork will be removed, and a general cleaning up around the building will be carried out.

SASKATCHEWAN

RESERVATION OF LEGISLATION RESPECTING MINING CONTRACTS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Prime Minister. In view of the fact that he informed the house last week that he intends to make a statement as to the government's position with respect to the reservation of certain legislation by the lieutenant governor of Saskatchewan, would the Prime Minister tell the house when he will relieve us of the suspense from which we now suffer?

[Mr. Green.]

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I can understand the suspense of the hon. gentleman, representing a British Columbia constituency, and I hope his suspense will be relieved shortly because I do not want to leave him in such a position of uncertainty.

SUPPLY

The house in committee of supply, Mr. Flynn in the chair.

DEPARTMENT OF TRADE AND COMMERCE

General administration—

394. Departmental administration, including fees for membership in the international organizations listed in the details of the estimates (also includes the national industrial design council transferred from the national gallery), $3,275,445.

The Chairman: This item will be found at page 74 of the blue book, the details at page 507.

Mr. Hees: Mr. Chairman, when we reached five o'clock on Friday the hon. member for Athabasca was speaking. He has very kindly agreed to let me speak now in order to answer questions that were put to me by the hon. members who spoke that afternoon.

Before doing so, however, I should first like to clear up a misunderstanding which my opening remarks seem to have left in the minds of some of the hon. members who followed me in the debate, namely that I seem to believe that the economic picture is a rosy one and that all we have to do is continue in our present way of doing things and everything will work out for the best.

If I left that impression, Mr. Chairman, I am glad to be able to correct it now. In the speeches I have been making across the country since I became the minister of this department I have been stressing the fact that this country is up against the toughest competition for markets that we have faced since before the last war, and that we must do things a great deal differently than we are doing them at the present time if we are to successfully meet and overcome that competition.

This situation was brought about by the recovery of the countries of western Europe and Japan which were until recently customers of our products, and are now our toughest competitors. They have rebuilt their economies with the most modern plants and machinery, and are manufacturing products of good quality and design and selling at competitive prices. These products are displacing Canadian products, both in Canada and in the export market, in increasing quantities.

We have learned that there is no sentiment in the buying habits of the average Canadian

or of the citizen of any other country, for that matter. He or she will buy the best product at the lowest price, no matter where the goods are produced. If we want to make sales and thereby create jobs replacing the products that move off the retailers' shelves, we can do so only by producing products that people prefer to those offered by our competitors. They must be comparable in price, quality and design with what our competitors are offering for sale. If they are comparable, they will be sold in the markets of the world and in Canada, and Canadians will have jobs replacing them. If they are not comparable, they will be passed over and Canadians will not have jobs producing more of them.

Our trade commissioners told the businessmen who came to our trade promotion conference last fall that if they would come to their territories with samples of good quality and design, and willing to quote competitive prices, they would guarantee them sales. Surely you cannot get a better offer than that. Those who have made such selling trips and have taken good samples and quoted competitive prices, have made sales, and good sales; their plants have been kept busy and they have taken on extra staff to handle the extra business.

Sales have not materialized where quality, price and design were not competitive. There have also been many instances where the selling effort was not carried through by the company concerned. I am writing a personal letter of inquiry to the heads of all companies that have not followed through after prospective sales were initiated at the sales promotion conference, to ask why this has happened and urge that the selling effort be carried through.

Our trade commissioners will do everything humanly possible to promote sales, and they made that very clear to the businessmen who attended the conference. But the company must either send its salesman to the territory or, at the very least, send the samples and price lists that are needed for our trade commissioners to make the initial approach. As I have said, in all too many cases neither has been done.

In addition to putting forward a first class selling effort, it is up to our producers to turn out products that our salesmen can sell. The greatest salesman in the world cannot sell a product that is demonstrably inferior in design or quality, or obviously not worth the money that is asked for it. We must match what our competitors are offering the customers. I believe that the best way to make our products competitive is to follow the example of our toughest competitors, who brought themselves from the ashes of war to peak prosperity and employment in just 15 short years. They did it by co-operation among management, labour and government, to bring costs down and improve quality and design.

It was to help bring about this kind of co-operation here in Canada that we recently called together the heads of the top 15 labour unions and the heads of the 15 largest management organizations. This group can have a great influence on those they represent, to bring about this desired result; but it will be up to the great mass of our people to decide that in their own best interests they should co-operate with their fellow Canadians to make our products competitive, and thus able to sell in the export and home market and provide jobs for our people. If they so decide, and get to work on the big job that lies ahead and give our salesmen products which will meet with customer acceptance around the world, then both our domestic and export sales will greatly increase.

The result can be full employment, and not the second highest but the highest standard of living in the world. But it is up to us, the people of Canada, to decide what we are willing to work for and whether we are willing to co-operate with each other to bring about the desired result. Surely we are willing to work as hard, and surely we are just as smart, as the people of western Europe who pulled themselves up by their own bootstraps in such spectacular fashion. I am confident that our people are more industrious, and are smarter, than the people of western Europe or any other part of the world, for that matter. The government has indicated clearly to our salesmen and our producers that we will work with them and help them in every possible and practical way in the big and very tough job that lies ahead. The time to start working together is now.

Some hon. members who spoke on Friday and in the debate last Monday and Tuesday expressed concern about the effects that the European economic community and the European free trade association would have on our trade with those countries. I share the concern of hon. members regarding the dangers to Canadian trade which could be inherent in the development of the European regional trading blocs, the Six and the Seven. Should the ultimate shape of these regional trading blocs eventually evolve in an inward-looking or protectionist trading form, then a backward step will have been taken in the progress of international trade. It is too soon yet to arrive at firm conclusions, although the final shape of our trading arrangements with western Europe is gradually taking recognizable form in the current

negotiations at Geneva. Nor do we yet know for certain what ultimate decision will be taken by the government of the United Kingdom concerning its future relationship with the European common market. This, too, is receiving and will continue to receive our closest attention in the weeks and months ahead.

These problems are under close and continuous study both in my department and interdepartmentally. Until our judgment dictates otherwise, this government will continue to follow a trading policy designed to expand trade with all countries to the greatest possible degree, and in so doing create the greatest possible employment for all Canadians.

In conclusion, Mr. Chairman, I am glad to once again assure the committee that if at any time my department and I consider that it is in the best interests not only of those engaged in export trade but of the Canadian economy as a whole for Canada to join a trading bloc or association, I will recommend such a course of action to my colleagues.

I should now like to answer the questions which were asked of me last Friday. First of all, the hon. member for Burin-Burgeo referred to our trade with the West Indies. I may say that the department is very conscious of the importance of our long standing ties with these territories whose economies are so complementary to our own. The newly emerging West Indian federation is our nearest neighbour in the commonwealth. In recent years it has taken about $40 million of Canadian goods annually, making it our fourth or fifth largest commonwealth market. The West Indies buy from us such staple commodities as flour, salt, cod and lumber, and a wide range of manufactured goods. Our main purchase from them is of course sugar, but we buy also such products as bauxite, petroleum, spices, cocoa and rum.

The department has given a great deal of attention to the West Indies in its trade promotion efforts. In January and February, 1959 we sponsored two highly successful trade fairs at Kingston, Jamaica, and Port-of-Spain, Trinidad. About 150 Canadian firms participated in one or other of these fairs, and it is estimated that they resulted in the creation of over $2 million of new export business. During our trade promotion conference last December the West Indies was one of the areas in which businessmen showed most interest. Of the 1,133 firms represented at the conference, 340 or almost one third expressed an interest in the West Indies. Our four trade officers in the area are now following up these interviews, and we hope there will be a significant increase in our export activity in that market.

[Mr. Hees.]

We have been watching very closely the progress which is being made in the West Indies toward a customs union of the ten territories making up the federation. These territories have now reached broad agreement on plans for a customs union and will be submitting them soon to an intergovernmental conference for approval. When the West Indies have advanced sufficiently far with their own preparations for a customs union it will be necessary to revise the existing Canada-West Indies trade agreement of 1926, which provides for different margins of preference in the various territories. Meanwhile the department is proceeding with its own preparatory work so that it will be ready for this negotiation when the appropriate time arrives.

I was asked a question by the hon. member for Vancouver East regarding exports of sawn lumber to Japan. It may be that the figures he quoted apply to the individual exporter in British Columbia to whom he refers. However, export statistics show that Canadian shipments of sawn lumber to Japan have never reached 10 per cent of our total lumber exports over the past 35 years.

The chief reason for this is the fact that Japan has emerged as a leading world producer of lumber, ranking third only to the United States and Russia in total lumber output. Since the war Japanese lumber imports from all sources have been largely displaced by imports of logs and other round materials, principally from the Philippines. The total Japanese market for lumber has shown a marked decline in the post-war period and is currently running at some 40 million to 50 million board feet. By contrast, in the late 1920's Canadian lumber shipments alone to that market averaged nearly 200 million board feet.

The hon. member for Joliette-L'Assomption-Montcalm reviewed in detail the changing scene in regard to measurement throughout the world. Some countries which are large world traders have moved to the metric system and, additionally, others which are reaching increasing stature as traders have made the same decision. Any decision by Canada in this connection must, however, be governed by the situation as it exists. As Minister of Trade and Commerce I regret, as does the hon. member, those instances where Canadian manufacturers have lost specific orders by reason of the factor of measurement entering into design. We must face the facts of life, however. If precipitate action were taken to change to the metric system our losses in our major markets, the United Kingdom and the United States, would create far greater hardships. I believe that the hon. member recognized this in his remarks.

While it does not appear, I think all will appreciate that the metric system is, and for many years has been, a legal system in Canada. There is therefore no reason why manufacturers and exporters should not use that system should it meet particular needs. To go further at this time and legislate or encourage a change would have so many ramifications that it would be extremely difficult to recommend a course of action without a formal review.

I am impressed with the joint report of the British association for the advancement of science and the association of British chambers of commerce, which suggested that this question should be reviewed periodically by the board of trade in conjunction with industry and commerce and in conjunction with the commonwealth and the United States of America. The stated object of the review would be "to study jointly significant world developments in the usage of metric and non-metric standards...". I shall be glad to examine the situation to determine whether the time is now opportune to institute a similar review for Canada.

The hon. member for Maisonneuve-Rosemont asked me to explain what he thought was a conflict between the figures for the number of persons receiving unemployment benefits and the figures for the number of unemployed as given by the dominion bureau of statistics. The decision to use the figures we are now using was made after very careful study by the committee on unemployment statistics. I am sending across to the hon. member a copy of the report of that committee in the event that he may not be familiar with it. If, after he has had an opportunity to study it, he has any further questions, I shall be glad to speak to him about them and do anything I can to keep him informed.

During the discussion of my estimates on Friday the hon. member for Kootenay West asked several questions. He indicated that he was rather intrigued by the title of my department, namely trade and commerce, and suggested that he would like to have some explanation. I have looked up these words in dictionaries and find little difference in the definitions of the words "trade" and "commerce". As the department received its name many years before I was born, I am not sure just what was in the minds of those who named it originally.

The second question which the hon. member for Kootenay West asked was what is being done to develop co-operation among the various sectors of the economy to work toward improving our competitive position. In March the Minister of Labour and I called together 15 leaders of business organizations and associations and 15 leaders of organized labour to discuss ways in which greater co-operation could be developed to increase the competitiveness of Canadian industry in both domestic and export markets. A very successful meeting was held, and the decision was made to establish a continuing tripartite committee in order to achieve greater co-operation.

Through the national productivity council, representatives of industry, labour, the general public and the government are also working together to develop programs to increase the competitiveness of Canadian industry. Similarly, the national design council will be made up of representatives of the various sectors of the economy. These steps have been taken so that all the various groups in the economy can unite their efforts and work together in improving the position of Canadian industry in markets both at home and abroad. I am sure that working together in this way we can achieve the same successful results as have the countries of Europe.

The hon. member for Kootenay West asked what efforts would be made by my department to achieve success in the export of various commodities to China and other Asiatic countries, apart from wheat. Our trade commissioner in Hong Kong has been very active in extending assistance to Canadian businessmen seeking contacts with the national trading corporations of the government of communist China which might be concerned with imports from Canada. As a result of his efforts, coupled with those of energetic Canadian businessmen, there has been quite a satisfactory improvement in the sale to communist China of our staple commodities. Exports to communist China for 1960 reached $8,700,000 as compared with $1,700,000 in the previous year.

As far as the other Asiatic countries are concerned, we have very active trade commissioner offices in Tokyo, Manila, Singapore, New Delhi, Bombay and Karachi. Our trade commissioners at these offices cover not only the country in which the office is located. Their territories also include contiguous countries and territories to which they travel and on which they report regularly. In this way our trade promotion efforts cover the whole of Asia.

The hon. member for Kootenay West also asked whether there had been any incidents involving Canadian subsidiaries refusing to accept orders from China or other Soviet bloc countries on instructions from the United States parent company, or because this was against the policy of the United States government. I can only say that there have been no such incidents brought to my attention.

The hon. gentleman's fifth question was, has the minister read of the proposals by Dr. Keenleyside and has he given them his careful study and attention? If so, will he inform the committee as to his opinion of their practical nature and of the possibility, as a result of the application of Dr. Keenleyside's proposals, of improving somewhat our position with respect to trade and commerce in Canada and consequently the unemployment situation.

Mr. Speaker, the proposals to which the hon. member refers have been drawn to my attention, and you may be assured that these, as well as other proposals, have been given consideration. Our policy is to have maximum trade in every commodity in every possible market to provide maximum employment for Canadians. The hon. member may be assured that any practical proposals which achieve these ends will appear in our trade policy program.

The hon. member also asked for some explanation of the work of the small business branch and for information about the type of inquiries received and the publicity material it has available. Two projects of some significance presently under way in the small business branch are: (1) the compilation of the results of a survey of Canadian universities which was made to determine what management educational courses are now available, the dates and duration of these courses, and the fees charged. When this compilation is completed the results will be forwarded to the universities for checking and, eventually, more widespread distribution. This is part of a plan for stimulating interest in work now being done in this field and for helping in the further promotion of such work where the demand exists. (2) "Taxation Statistics", published by the Department of National Revenue, is being examined in cooperation with that department with a view to producing a supplement which will provide financial statistics in greater industry and size detail for the benefit of small businesses.

Apart from the publication "Selling to the Canadian Government", recently published by the small business branch, and the other two publications just mentioned which, incidentally, are available to hon. members, the small business branch has been able to cover requests for general information on other subjects from existing publications of the Department of Trade and Commerce, including the dominion bureau of statistics, other federal and provincial departments and outside sources.

Requests for information through interviews, telephone calls and correspondence have numbered in the thousands. These queries are for all types of information on government legislation and regulations as well as for sources of information on markets, financing, starting a new business, etc. There is little pattern to these requests, and there are no so-called typical examples. Many are answered by the small business branch; others are referred to appropriate sources in other departments and agencies. The branch performs a useful clearing house function in this respect.

Numerous business associations contact the small business branch about more general problems, particularly in the field of financing. The branch plays an important part in co-operation with other departments of government in the preparation of background information for the framing of legislation in the whole area of the financing of small business.

In reply to a request from the hon. member for Grand Falls-White Bay-Labrador that I should take a sympathetic look at the fish industry in Canada, and particularly at the salt codfish industry, my department, through our fisheries division, has been very active in the field of trade promotion of Canadian fisheries products. Our trade commissioners around the globe report regularly on conditions in their respective areas for the information of the fishing industry. These market analyses are also followed up by on the spot appraisals by head office personnel who, in turn, maintain very close liaison with individual members of the trade. In addition, an interdepartmental fisheries trade committee, which includes senior officials in all government departments concerned with fisheries, meets at regular intervals to consider ways and means of assisting the fishing industry. When necessary, the manager of the Fisheries Council of Canada is invited to attend these meetings.

With respect to the salt cod industry, may I say that this matter is presently receiving very careful attention, particularly in view of the difficulties which the trade is encountering in marketing salt cod in Cuba. A fisheries expert of the department has visited different European markets twice in the past year, and a report of his findings was made recently to the Fisheries Council of Canada. I should add that the findings are very much more encouraging for the fresh frozen trade than for the salt trade. The position of the latter industry has been impaired by the difficulties which the industry is encountering in the Cuban market for salt cod. The situation is being kept under continuing scrutiny.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Bigg: Mr. Chairman, at five o'clock on Friday afternoon I was speaking about the development of our great oil reserves in the Athabasca tar sands and their significance in the planning of Canada's future, and perhaps to the security of the western world. One of the essential steps in the development of this area would be the construction of a road between Fort McMurray and Edmonton.

You may wonder why I bring up the question of a road in respect to the Department of Trade and Commerce, but I do so because the provision of transportation facilities is very essential in keeping the cost of our materials down. If we cannot move them from the point of production to the markets we cannot compete in world trade. Today in our very complicated economy the various departments of government must have full co-operation. It is not good enough for the Department of Trade and Commerce to bring forward a plan to extend our trade unless it is done with the co-operation of the Department of Transport in order to develop roads, railways, air transportation facilities and shipping facilities. Therefore I do not hesitate today in bringing to the attention of the minister and the officials of his department, the suggestion that there must be co-operation in the provision of transportation facilities. The officials of the one department must co-operate with those of another. There must be co-operation between the Department of Transport and the Department of Northern Affairs and National Resources, in order to provide a road of some kind in this tremendous industrial field.

I was heartened to hear the Minister of Northern Affairs and National Resources say this morning that his department was ready to broaden the scope of the roads to resources program. The bottleneck seems to be that the provinces are either unable or unwilling to expend the money necessary to build roads across vast districts such as mine where populations are very small, and where there is no industrial development at the present time. Perhaps this is because the funds are not available at this time, but I am afraid if we wait for the Alberta provincial government to take this step we will be waiting a long time. I think we should stop being shy, and that the federal government should take the initiative in some of these fields. The north country cannot be developed unless we can get into it from the south. In the area from which I come there is a stretch of about 300 miles where there are no roads, railways or other facilities for transportation.

Our vision of the north certainly will not come to fruition unless we take positive steps. The people there are not afraid to take a chance on the future and they have not lost time. There is very little unemployment there. Everyone is working hard and there is room for literally hundreds of thousands of people. If we accept the challenge and take the initiative, showing them we are really behind them in developing this country, I am certain the people will act accordingly.

Assuming we have a road we will then need capital to develop the area. I would suggest that capital should be made available perhaps through the industrial bank to what I refer to as the "in between" businesses. We now have the power of assisting small businesses to the extent of $25,000 for the improvement of their capital program. It is perhaps possible for very large companies to look after their own financial needs. The government has also made it possible for quite large companies to get loans from the industrial bank in some cases to the extent of $500,000. That is a lot of money, but presumably the security behind such a company, in stocks, is such that our government is willing to make this money available. However, there are a vast number of Canadian businessmen in the in between range who need money to set up local industries throughout our local areas, and I would make a plea on their behalf, that this government seriously consider widening the powers of the industrial bank in order to assist these businessmen in the medium category by making available loans between $25,000 and $100,000.

I would further suggest that we should get behind the local automotive repair shops and the larger garages throughout eastern and western Canada, enabling them to expand and hire local labour to repair automobiles and farm machinery in the small towns and villages where the breakdowns occur. I would like to see loans made available—

The Chairman: Order. I must inform the hon. member that I do not see how he can relate his present remarks to the Department of Trade and Commerce. The hon. member has been dealing with the development of national resources; with roads to resources which are a matter under the Department of Northern Affairs and National Resources; and he has mentioned the industrial bank, which is a matter under the Department of Finance. I doubt that his remarks can be related to the items under discussion.

Mr. Bigg: Mr. Chairman, I have had personal experience in attempting to raise loans

through the industrial bank for trade purposes, as a result of which I would suggest close co-operation is required with the Department of Trade and Commerce. I would go so far as to suggest that the industrial bank should either be controlled by the Department of Trade and Commerce or that at least there should be high ranking liaison officers operating between that bank and the Department of Trade and Commerce so that when an individual makes an application to the bank for a loan for trade purposes he does not meet with the blank statement that it is a matter to be directed to the Department of Finance. There must be co-operation between the senior officials of the various departments so that, during the hearing of an application for a loan, officials of the different departments could sit in to give advice and make a joint effort to assist these medium businessmen. We will never have liaison of the kind I am referring to, which I feel is essential, because money alone is not enough, if we do not take a step in that direction. The bottleneck in Canadian development has always been finance. It is very difficult to discuss transportation, trade or co-operation with the provinces for the development of our resources unless you concentrate upon and discuss the sacred cow of finance.

Mr. Winch: I should like to ask the minister to comment on the foreign service personnel. As I mentioned the other day, I understand that some of his best and most highly trained men are leaving the service to take over managerial posts in private industry. In view of what the minister said only today with respect to the problems facing Canada in the competitive field, and in view of what I read in the press a couple of days ago and the statement of the Minister of Agriculture that he thinks we have been missing great opportunities to trade with Asia, it should be easily understood and recognized at this time that perhaps more than ever we need trained foreign service officers.

I believe we have been losing some because of their wages. I admit I was rather amazed, on looking over the details on page 509 of the estimates book, to find that we have 30 foreign service officers whose annual wages are between $4,380 and $5,880; 23 between $5,940 and $7,140; and so on. I would imagine that any civil servant in the foreign service is a relatively well trained officer. There are four classifications before you get to the salary range of $9,800. If this is the range of salaries, I can well understand why we are losing these experienced men. It is of the utmost importance that they be retained in the service. Can the minister tell us what is the situation with respect to the retention of these trained men and whether or not it is the money factor which is driving them away?

Mr. Hees: I am glad to comment on that, Mr. Chairman. Morale among the trade commissioners is very high indeed, as I am pleased to say it is among the personnel of the department generally. It is inevitable that good men in the government service are lured away from time to time by business and industry. It is very regrettable that this is so because, as the hon. member said, in that way we lose very valuable men. We have lost two trade commissioners. I regret very much that this has happened. However, it is two out of several hundred people in that category employed by the department, all of whom are very able. Therefore the percentage of loss is not great. We would certainly prefer not to lose any. I agree with everything the hon. member says. It is to be regretted that any of these men are, as he said, lured away by business, but it always happens in the government service where we are limited in the amount of salaries that we can pay. When a man is outstanding he is often attracted away by a salary that the government cannot pay.

Once again I mention the fact that these are only two out of several hundred employees of that category. The morale in the department is very high and I think we loose relatively few of our good men.

Mr. McMillan: Mr. Chairman, Canada's trouble in the matter of trade is that we buy too much abroad; we buy more than we sell. In 1959, Canada bought $369 million worth more abroad than she sold there. Besides this, there is an amount of something over $1 billion that the minister did not mention the other day that we have to meet in the balance of payments. This amount is made up of such things as the expenses of people travelling abroad and the amount that we have to pay in interest and dividends on foreign investments in Canada, and so on. Our total adverse balance last year was very close to $1.5 billion. If a merchant continues to buy more than he sells he will soon go bankrupt and out of business unless somebody lends him money, and this is precisely what has happened in Canada. The United States investors mainly have put up the difference. As Canadian money has poured forth to pay for purchases abroad investors from abroad have sent money into Canada and have made up the $1.5 billion difference in 1959.

Over the last number of years our imports have gone up relatively more than our exports, and we have a deficit balance of trade. Certainly in the last three or four years there has been a relative slow-down in our

trade. However, I will say that in 1960 there was some improvement in our exports. They were up, as the minister said, some 5 per cent. Our deficit on merchandise account amounted to something under $100 million, I think about $97 million. This improvement was brought about by two things, by some decrease in the amount of our imports and also by an increase in exports mainly to Great Britain, to countries of the European common market and to Japan. This is largely offset by the decrease in our exports to the United States of 4.6 per cent.

For the last three months, the minister said, there has been a decrease of 17 per cent, compared with a year ago, in our total exports to the United States and 3 per cent in the total exports over all. According to the *Globe and Mail* of April 29, Canada's February trade deficit was $24.3 million. Our exports were down 13.5 per cent over all and to the United States by 19 per cent. It would seem to me that probably the Prime Minister has his proposal of the 15 per cent switch of trade almost within his grasp, except that our exports to the United Kingdom would need to go up 50 per cent from here in order to compensate for the 15 per cent cut-back in our exports to the United States.

During the course of last year I read several articles in the press, and I read some in the British press as well, complaining that Canada was not buying as much from Britain as we were selling there. I do not think we should try to switch any trade. We should not try to cut down our exports to any country. I was glad to hear the minister say today that he would try to sell in all parts of the world. At the time that the 15 per cent proposal appeared in the press we certainly got a bad press in the United States.

In 1957 when the Americans cut back the importation of crude oil into that country by exactly 15 per cent our oil exporters certainly were hurt, particularly those exporting oil to the northwestern United States. I have often wondered whether the Americans did not accommodate the Prime Minister by cutting back oil importations by 15 per cent.

A few years ago Canada was the third trading nation in the world and on a per capita basis the highest. Today we are the fifth trading nation in the world. In spite of the increases the minister told us about the other day, Canada is losing out relatively in world trade. According to the international financial statistics on world trade for April 1, 1961, Canada in the first nine months of 1960 had an increase of exports of 2.3 per cent compared with an increase in world exports of 9.3 per cent so that, relatively speaking, Canada is slipping in world trade.

The minister himself has said that 25 per cent of all Canadians depend on world trade for their jobs. Therefore there is a direct relationship between world trade and employment in this country. Unemployment at the present time stands at something over 11.1 per cent of our working force and in this respect we are worse off than any other country in the western free world. There is only one other country that comes anywhere near us in that regard and that is Italy with unemployment amounting to 9 per cent of its working force.

An hon. Member: Where did you get your figures?

Mr. McMillan: After all, our production costs are the deciding factor in the selling of our products in foreign markets. Anything that increases our costs will tend to keep us out of foreign markets. The fiscal policy of the government has contributed to higher production costs because we tax industry more than we did before. Our fiscal policy has also pushed up interest rates and money costs our producers more than it did before 1957. Industries also pay local and provincial taxes and we know that local and provincial taxes have gone up because of the increase in interest rates.

I want to commend the minister for his efforts in trying to sell our products on foreign markets. I wish him well but I think he as a member of the cabinet could do something about keeping down governmental costs in this country and certainly he could see that they do not rise more because of further financial manoeuvring. I should like him to remember that we have the highest unemployment in the western world and that we have lost our position in world trade, having slipped back at least one position from the time of the last administration. The minister should also remember that our per capita production is down nearly 1 per cent. We hear much about the European trading blocs such as the European common market or inner six and the European free trade area or outer seven. In the case of the inner six where free or freer trade is in operation between these countries, there has been a great increase in trade. According to the last figures I saw there had been an increase of 28 to 30 per cent in trade between them.

The United Kingdom is most likely to join one or other of these free trade areas, and I hope our ministers will cease issuing threats to the United Kingdom and the members of the European common market with regard to any steps they may take in this respect. I know that the Minister of Finance has denied these threats, but I have here a clipping from the Toronto *Telegram* of September 29, 1960,

a newspaper which is never unfavourable to the government. The heading of the article is, "Keep Out or Else, Fleming Warns United Kingdom". It is a dispatch from London, England, and the first paragraph reads as follows:

> Canadian finance minister, Donald Fleming, today warned that any discrimination against Canadian goods resulting from Britain's entry into the European common market might be answered in kind by Canada.

If that is not a threat, I do not know what a threat is. I have several more clippings here concerning threats to Great Britain and to members of the European common market, even one or two by the Minister of Trade and Commerce himself. I do not think these threats do any good. They only tend to alienate our friends abroad. There was an article in the *Financial Post* of December 10 last by Mr. Clive Baxter headed, "In Europe They Say That Canada Overrates Her Own Importance". He quotes Mr. Hugo de Grood, head of the North American division in the directorate general for external relations at European common market headquarters, and also quotes others. Among the quotations was the following:

> You are going to have to live with us in the future, and to withdraw into an angry protective shell can only mean worse and worse trouble for your economy.

All I can say about that is that the author of those words must have heard one of the angry tirades of the Minister of Finance such as we often hear in the house and have long since learned to discount. With reference to the speech of the Minister of Finance the writer said:

> It is not encouraging to report, but impossible to ignore, that the speech seemed to worry nobody in Brussels.

He has reference to the headquarters of the European common market. Finally, in an interview Mr. de Grood had this to say:

> It seems to us that Canada overrates its own importance these days. We want to trade with you, but you must understand that if necessary we can get along without you.

The European countries are going to enter these trading blocs anyway so I do not think our ministers should be making public statements that only alienate them. Mr. George de Young, chairman of the productivity council, speaking in Toronto on Tuesday said in effect that all nations and blocs of nations are putting forth a highly organized effort to increase the economic status of their people. He also said that we are suffering as a result of this and that in Canada and the United States we have to get over the idea that we have a technological and economic superiority because in fact we do not possess it. I think there is an awakening among all groups in our population to the fact that we must become more competitive in world markets if we are to survive. We must have the co-operation of all groups in the community. Above all, we must have the co-operation of the government to keep costs down.

I remember that, a year or so ago when we had before us a bill increasing our subscription to the monetary fund and to the international bank, at that time I called the attention of the house to the fact that this bank would be lending money to develop industries in some of these countries at a rate lower than that at which our industries could borrow money in this country, and I said I thought that was unfair competition. That situation has come about. I have inquired about the interest rate that has been charged by the international monetary fund. I find that some of the industrialists in some of these countries have been able to build plants and to get new machinery and that they have been able to do that with money obtained at a cheaper rate than that at which our industrialists have been able to borrow money in Canada. They make products that come here to Canada in competition with our own domestic products.

I just want to refer briefly to agricultural exports. I was interested in reading lately that in the fiscal year 1959-60 our agricultural exports to the United States stood at $184 million, down 24 per cent from 1959 and 30 per cent below the 1952-54 average. Many fruit and vegetable growers in my part of the country are greatly interested in the marketing of their products. According to the November, 1960 issue of *The Grower* reference is made to our dealing with the United States in respect to fruits and vegetables under the heading "Imports are Up, Exports are Down". In the first six months of 1960 our imports of fruits and vegetables were up by $9 million to $76.3 million, indicating a figure of $150 million for the full year. At the same time our exports to the United States in fruit and vegetables were down by $500,000 in six months or by $1 million for a full year to about $13 million in fruits and vegetables alone. Therefore there is a net cost to Canada of at least $135 million in balance of payments. This is enough to wipe out our whole trade merchandise deficit and to have a surplus left over.

The hon. member for Vancouver East some time ago was referring to the deterioration of the fruit and vegetable production in British Columbia. At that time he said that a number of United States interests have come over and bought up certain of their processing plants and have cut down the opportunity for their producers in that part of the country to

market their fruit as well as they did previously. That same thing happened in the Niagara district some two or three years ago. I heard about some United States interests coming over and buying some of the canning factories with the result that thereafter the fruit and vegetable growers had some difficulty in getting rid of their products. I think that the two senior governments—I refer to the federal government and the provincial governments—should co-operate in helping these producers to provide facilities for the processing of their fruits and vegetables in Canada. If Canadians could use more of these fruits and vegetables and could import less, it would help the Minister of Finance in his balance of payments.

I have here a list of imports of small fruits for the last four years. I find, for instance, that imports of apples hold about the same; strawberry imports are down somewhat but in respect of most of the other fruits imports have gone up markedly. That statement applies to apricots, peaches, plums, cherries and so on. Let us consider the situation with regard to peaches alone. Imports of peaches in 1957 amounted to 423,000 bushels while in 1960 the figure stood at 945,000 bushels or over double. No doubt in some years there is a poor crop but, generally speaking, if you look over this list of fruit imports, you will find that they are all going up year after year.

Our farmers must be able to sell their fruit and vegetables when they produce them. They have high local taxes. Their costs of production are high and their cost of living is high. The people of Canada should endeavour to help them because we shall at the same time be helping ourselves in that we shall be cutting down the balance of payments.

I often see in the press some reference to United States companies moving to Canada, taking as much as possible out of Canada and giving as little as possible in return. This is not true in my part of the country. One United States company I have in mind is the Atlas Steel Company. The Atlas Steel Company came to Welland some years ago. It was brought there by Mr. Davis who moved to Canada and made Canada his home. Several of the chief executives have taken an active part in local affairs and they contribute much to the industrial and cultural life of their adopted country and community.

Two men in this respect are outstanding in my district, and they are two among others. I will mention their names. One is Mr. Arthur Schmon, president of the Ontario Paper Company at Thorold and Baie Comeau. The other is Mr. George de Young, president of Atlas Steel Company in Welland. Both these men were born in the United States and they chose to make Canada their home. They have given leadership in some aspects of community and national life as well as being leaders in their particular industries.

I am sure the hon. member for Lincoln would agree with me that Mr. Schmon, among other things, has been instrumental in providing the most modern hospitalization in our area. We all know that Mr. George de Young was lately selected to be chairman of the productivity council. I am sure he will devote to this activity the same zeal and determination to make a success of it as he has devoted to the production of stainless steel and other products in Welland.

Mr. Stinson: In this debate on trade and commerce I wish to advocate increased trade on the part of Canadian businessmen with businessmen in the republic of China in Taiwan or Formosa as it is commonly called in the west. Before I get into that subject I wish to commend my old friend the Minister of Trade and Commerce on the initiative, drive and enthusiasm which he has displayed in the discharge of his extremely important duties. The reason that I think we should promote greater trade between our country and this country in the Pacific is that, in my opinion, such trade would be beneficial in a material way to both countries and would lead to a greater understanding between Canadians and the Chinese in that island.

There seems to be a lot of excitement in the House of Commons and elsewhere in this country about the recently completed wheat and barley deal with the communist administration of mainland China. I should point out to the committee that in my opinion the communist government in Peking has no interest in long term trading with this country, which would be of benefit to both countries, and certainly very little interest in building an understanding between Chinese people and Canadians.

In fact, and there is evidence of this out of the mouths of spokesmen of the government of Peking, they are determined to destroy capitalist countries by military or economic means. The only understanding they wish to achieve is an acceptance by us of the communist philosophy.

Therefore I say that I for one cannot share in the jubilation of those who think that this grain deal, which will bring in a few dollars to this country over the next several years, is a big thing for Canada.

The people of the republic of China in Taiwan—a country which I had the privilege

of visiting recently—are working very hard with relatively few resources to build up their country. As is the case in India, government has a greater role in the economy than in many western countries, but the economy in Taiwan is essentially a free enterprise one.

The rapid growth of population in this country, about 3.5 per cent per year, makes it very difficult to increase per capita consumption of food each year. Only a quarter of this rocky and mountainous island is suitable for farming. Therefore increased food production can be brought about only through the institution of irrigation projects, improving the seeds that are used and fertilizers.

I think hon. members may be interested in hearing something about the recent achievements of the people in this country. I shall be brief in this respect. In a few minutes I should like to show that the economy of that island is steadily growing, and it could become an important trading partner of Canada. This is no small country. Some 11 million people live in Taiwan and, as I have said, it is becoming one of the important free enterprise economies in the Pacific area.

I agree with the assistant trade commissioner for Canada in Manila, who writing in the April 22 issue of "Foreign Trade" had this to say:

> Many Canadian exporters who have focused their sales efforts on Asia continue to ignore the expanding sales opportunities in Taiwan.

When the Minister of Trade and Commerce spoke this morning about the efforts of trade commissioners in the Asian countries, I was sorry that he omitted to refer to this country as an area in which Canadian business could be developed.

In the Asian countries one of the best indications of economic growth is the production of food. Through a co-operative effort on the part of land owners, tenants and agencies of government the Chinese in Taiwan have been so successful in this field that the consumption of food per capita in the rural areas is greater than in any other Asian country.

In 1959 livestock production was four times the level attained in 1946. The volume of production in other farm products was over two and a half times greater in 1959 than in 1946. These increases have been brought about through the land reform program initiated by the present vice president of the republic of China, which program has proceeded through three steps, a reduction of farm rent, the sale of public farm lands and the abolition of the tenancy system.

Since the land reform program was undertaken some 200,000 families who were formerly tenant farmers have become owners of plots of land. Land owners whose land has been expropriated have been compensated with bonds which are redeemed in rice and sweet potatoes, and stocks in government-owned industries. Thus in a period of 11 years a quiet revolution has taken place in agriculture in that country.

I ask hon. members to compare this with the so-called land reform program on the mainland of China which, as everyone here must know, has been marked by violence, terror, loss of freedom, slave labour and starvation.

Agriculture is the main occupation in Taiwan, but industrial production is growing in food processing, chemicals, machinery, ceramics, textiles and other fields.

A good indication of the growth of industry is the expansion in the use of electric power. In this country eight times as much electricity was used in 1960 as was used in 1955. The great changes which have taken place in this country have occurred because of the hard work and the enthusiasm of the men and women associated with the government, and the response of businessmen, farmers and workers to the leadership which the government has given; and, of course, aid from the United States which has been given at the rate of something like $100 million a year.

I wish to express my admiration for the men and women to whom I have just referred, many of whom I had the privilege of meeting in Taiwan in January of this year. What they are doing for their country is not only of value to the Chinese people in that country but it is also of great value in maintaining the morale of political leaders in southeast Asia who are resisting the influence of the Soviet union and communist China.

In 1960 Canada sold to the Chinese in Taiwan goods of a value of $2,885,642, and imports to Canada from Taiwan came to $1,150,222. The Chinese in that country—and I know this from speaking to many of them—are anxious to increase trade with this country and become less dependent on the United States for machinery, electrical equipment and other things.

Therefore I recommend to the minister that at a very early date the trade commissioner now stationed in Manila should go to Taipei and meet government and business leaders of that country with a view to finding out what Canadians can sell there and informing the Canadian business community of the opportunities that are available.

I wish to advocate the establishment of a Canadian consulate in Taipei as a first step toward bringing about closer business relationships between Canadians and the Chinese of this country. I am sure these improved

relationships would be of commercial benefit to both countries. They would build friendships between Chinese and Canadians which would lead to a greater understanding by the people of this country of the culture and traditions of the Chinese people.

I hope that on the next occasion a minister of the crown makes a trip to the Far East—and I hope that minister will be the Minister of Trade and Commerce—he will be going to celebrate the opening of a Canadian consulate in Taipei, and that he will come back to this house and announce a trade agreement which will be to the benefit both of the people of Taiwan and ourselves. It seems to me this would help to reach the objective of the trade policy described by the minister on April 28 when he said it was to foster the development among trading nations of policies conducive to the development, growth and expansion of mutually beneficial trade.

Mr. McIlraith: I regret that on Friday afternoon when the minister made a speech introducing his estimates and submitting them to this committee for approval I was unfortunately absent. I want to assure the hon. gentleman that my absence was not due to lack of interest either in the speech or in the subject matter. It arose merely through some misunderstanding which had arisen the previous day about the business of the house and the impression which had been created that the debate on external affairs would continue on Friday.

However, there is one advantage in not having been here on Friday. I had the opportunity of reading the hon. gentleman's speech and perhaps that gives a better opportunity for analysing it. I shall try in my few remarks today to avoid traversing the ground which was covered in the want of confidence motion moved on Monday of last week and debated on Monday and Tuesday. I regard that debate as one of the most important we have had on the subject of trade for some considerable time. I think that today on the estimates of the department itself it would not be appropriate to repeat the arguments raised then, but if I do not repeat them I do not want to indicate any lack of opinion as to the importance of that discussion in the whole field of foreign trade. It seems to me that that debate did deal directly with the situation as it affects our foreign trade today.

The amendment to the supply motion was, it will be recalled, a motion expressing want of confidence in the government. I might remind the committee of its terms. It read as follows:

> That this house regrets the protectionist and inconsistent trade policies of the government and its failure to develop a long term foreign economic policy to enable Canada to participate fully in the challenging new opportunities in the field of international trade by implementing a vigorous program to promote the expansion of our secondary manufacturing industries and by encouraging the development of an Atlantic economic community.

It seems to me that this amendment came squarely to grips with the issue and that the debate was, as indicated, the best debate on the subject we have had for some considerable time.

My remarks today, to the extent that they are critical, are critical of the government for its failure to place this situation in its proper perspective and its failure to develop long term policies which will be appropriate to meet the challenges that exist today in the field of international trade. The inconsistencies of the government's approach are already beginning to have a very damaging effect and very damaging implications for the future. The speech of the Minister of Finance at Ste. Adele on November 17 of last year, seemed to me to be the kind of speech that is destructive of the development of proper trading relationships with the other trading countries with which we are chiefly concerned. I was critical of it last Tuesday, as appears from the record in *Hansard*, and I may say I was somewhat amazed that the minister, rather than trying to deal with the criticisms of his speech and of the attitude taken in it, seemed to repeat it and to support it. Indeed, he even added to it. I think that was completely wrong.

It seems to me that the situation confronting Canada today has two or three main aspects. First of all, there is the Sino-Soviet bloc with its trade policies and all their implications for us. The implications of those trade policies are two-pronged. One has to do with upsetting the trade of particular segments of the western trade area, by one process or another, and the other prong, the other danger, lies in its implications to the underdeveloped countries by upsetting their economies. It is an unfortunate fact that a very large number of the underdeveloped countries in the world today possess economies which are largely dependent on the export of one or two basic commodities and that if anything happens in the trading world which leads to a sharp drop in the prices of those particular commodities then the economy of that country is seriously and immediately damaged. As a result of that damage we see a political development, and there is also, of course, an economic set back which makes the country less effective as a potential trading market and trading area. As I view the Russian development, it lies in those two fields.

Anything which can be done to assist these underdeveloped countries to develop their

economies on a wider basis is to our benefit and is to the benefit of the free world as a whole since it enables those countries to develop as free nations, with all the desirable implications contained in that statement, and also to form improved trade relationships with our own country. Thus, on two grounds it is very much in our interest to see these underdeveloped countries improve their conditions and improve them quickly. I have spoken now, about the development of the Russian-Chinese bloc in that sphere of world activity as I see it today.

There is another condition which holds some implications for Canada, a condition which if not handled carefully could be adverse to us. Our agricultural exports would be particularly affected, but it could also affect our exports across the board. I refer to the European trade blocs, the European free trade area and the European common market. These two trade blocs have been discussed a great deal in the house by hon. members on both sides. There seems to be a substantial difference of opinion about the implications attached to the development of the trade blocs.

The Minister of Finance and the Minister of Trade and Commerce have, in my opinion, a wrong appreciation of this subject and have failed to see what should be done about it. I wish to be sharply critical in this regard. I have read some of the minister's speeches two or three times, because the Minister of Finance, in particular, is always quick to accuse hon. members of misquoting him.

There is no doubt at all that the propositions contained in the speeches of the two ministers relating to that subject have been interpreted as threats of retaliation. Certainly I have interpreted them in this way, and this interpretation is reflected by articles appearing in the newspapers I have read. One article described these speeches as angry little retaliation speeches. Other similar adjectives have been used to describe them. It has been suggested that they contained negative approaches to the problem, and perhaps even destructive approaches.

I do not see how we can appropriately and efficiently develop an economic policy by angry little retaliatory speeches of this kind. These problems arise because of the Sino-Russian bloc and similar organizations in Europe. The implications of those blocs create the atmosphere in which we must develop our trade policy today.

I felt that the Minister of Finance, in seeking to accuse the Leader of the Opposition of dispensing with GATT, did less than justice to my leader's speech. I thought the Leader of the Opposition made a very able speech and that it was quite unworthy of the Minister of Finance to reply the way he did.

The historical fact is that in 1947, when GATT was developed, the Liberal government of that day played a very important and active part in its development. If one relates the development of GATT to the conditions which existed at the time—at the conclusion of the last war—one will realize that this development was a farsighted arrangement which did much to meet the problems confronting the western world at that time. It provided the machinery through which world trade could be supported and started moving again and, as I have said, the government of that day played a very prominent part, which appears on the record, and speaks well, in my opinion, for that government.

The situation in which we find ourselves today is that the Minister of Finance is attempting to rely on the same machinery, in the form it was at that time, without developing it to meet the new conditions with which we are confronted today. GATT is of course a splendid concept, it embodies a consistent policy, but it is unlikely to fully provide the kind of farsighted development we require today.

In summing up the situation I would say that I felt there was a very apt speech made by the hon. member for Richelieu-Vercheres on Monday, April 24. I would like to read his statement as it is recorded at page 3951 of *Hansard* for April 24, 1961:

> On the contrary, in the light of Canada's trade deficits and her increased difficulty in competing in her home markets as well as in foreign markets, because of the disruption of traditional trade relationships, because of the possibility of increased economic competition from the Soviet union and her satellites and because of the paramount necessity of aiding the underdeveloped nations of the world, Canada cannot afford to be without a definite, well-thought-out, long range foreign economic policy. The stakes are too high and the situation too tense for Canada to continue to indulge, as she is now doing, in off the cuff, hit-or-miss trade policies, in apologetic but none the less restrictive trade measures with all her hopes of solving her problems pinned on the loud-talking high pressure salesmanship of the Minister of Trade and Commerce.

It seems to me that this statement puts the issues, with which we are confronted in trade fields, very squarely, and perhaps in better language than I could use. This is the type of long term, carefully thought out foreign economic policy that is required today, and that is exactly what we are not now receiving from the minister.

That long term foreign economic policy must be developed on two fronts. The first is the taking of active, positive steps—not just

sitting back watching and criticizing—to better integrate ourselves with Great Britain and ultimately the United States and the two European trade blocs. We must play an active role in integrating these two blocs into a larger Atlantic trade community which will not be restrictive or inward looking, but will be outward looking. This is a step that will require active participation on the part of the government and the minister. We are not receiving this participation now.

Second, proper steps must be taken to assist our secondary industries, which have been dealt cruel blows in the last two years particularly. Those blows have resulted from two or three different causes. First, because of the increased ability of foreign competitors to produce efficiently and cheaply with the resulting natural competition. The second is because our government has not adapted itself to the changed conditions which secondary industry must meet, by assisting secondary industry in meeting the problems, but has, instead, retained certain tax measures that were developed at a time when conditions were completely different, with the result that increased burdens have been placed upon these secondary industries.

There has been no apparent appreciation by the government of these problems. I have been very critical of the Minister of Trade and Commerce for his failure to understand that secondary industry plays a part in our foreign trade policy as well as our domestic trade policy, and that it must be re-established to full, effective participation, because this is a field which provides a great portion of our employment.

I would like to read from the speech of the Minister of Trade and Commerce as reported at page 3945 of *Hansard* for April 24, 1961 where he was referring to the amendment to the supply motion, moved by the opposition. He is reported as follows:

> It purports to speak on the one hand of a free or freer trade area within the Atlantic economic community and in the same breath it expresses regret because, it says, the government has failed to promote the expansion of secondary manufacturing industries in Canada. These two portions are contradictory and represent opposite ends of the economic pole.

They are not inconsistent; they are wholly consistent. One cannot effectively be done without the other. What requires to be done, as well as the things I have spoken about now, international trade, diplomacy, negotiations, and so on, is to take the appropriate steps to rehabilitate secondary industry in the light of today's circumstances.

Incidentally, if you analyse all these things that have happened since 1958 when world exports have gone up by some 16 per cent you will see that our exports have risen by 7 per cent—I think that is the correct figure—or a little less than half. We are stagnating and losing our relative position. I do not wish to take the minister's individual statistics for two and three months periods, as he did in his speech the other day, and say they are wrong. I do not think they are wrong. Probably they are all correct. I have no quarrel with them, but I do want to point out to him that they must be put in proper perspective and it is this other matter that is really of significance to Canada. His attempt at trying to draw conclusions from trading statistics for two and three months periods is not the appropriate way of dealing with this subject at all. He could take any set of trade figures for any two or three months period and do a great many things with them, depending on what he wants to prove. I do not see that that solves any problem at all, nor is it of any assistance toward setting the country on the right course and, so far as I am concerned, it is important that the country be set on the right course and quickly because we have been losing our trading position and we have been losing our position in maintaining the rate of our development in our own economy internally.

I suppose I could reinforce my argument with quotations. I do not know that that is necessary but there is a particularly good editorial in the April 29 issue of the *Financial Post,* headed "Pearson's Plea Justifies Study". The editorial quoted part of the remarks of the Leader of the Opposition as follows:

> The process of Atlantic integration must take place for political as well as for commercial reasons. It is necessary for the prosperity and growth of the Atlantic democracies. But it may soon be necessary also for their survival.

The editorial continues:

> Pearson does not advocate any sudden, dramatic or immediate consideration of the Atlantic economies any more than does Prime Minister Macmillan who also believes such an integration is the west's only road to survival. This, like any other international combination, is a very long term proposition and should be regarded as such. President Kennedy has been talking in similar vein.

I could quote the whole editorial which is a particularly good one, but I do not think I should take the time of the committee to do so. There is another sentence that perhaps I should quote. It reads as follows:

> If the European trade blocs merge, and all indications suggest they will, and if we on this continent fail to work out a new entente with western Europe, Canada will not for long retain any semblance of independence.

This is the view that the editor who wrote the article took of the importance of this subject. As I say, I could quote at great length. In another article in the same issue of this particular paper they go on and show

how the economy of this country has been stagnating. The editorial is entitled "The Spectre of Stagnation". It reads, in part:

> The dollar totals suggest that our recent recessions are only trifling aberrations and that our certain course is progress to a life where everybody makes over $10,000 a year, and where three-car garages are a natural right for every Canadian.
>
> Despite the 1960 recession, GNP—the total value of everything produced, including services and goods—advanced 3 per cent. Personal incomes were up 6 per cent. Consumer spending rose by 4 per cent. This new accounting of how the economy is making out shows GNP is now up fully one third in just five years.
>
> What is important about GNP, however, is not the sometimes stunning dollar totals and their frequently quoted advances.
>
> What matters to practical business planners and to responsible government officials should be real rates of growth. And here the GNP story reveals the spectre of stagnation.
>
> Consider these comfortless figures:
>
> Since 1947, GNP's average annual rate of increase has been almost 8 per cent. This, on the surface, is a remarkable performance. But the average hides the fact that between 1947 and 1956 the annual average was 9 per cent, while in the last four years the rate of increase has been only half as fast—4 per cent per year.
>
> To see how small the real volume gains are, take out the effect of price increases. Then the annual 9 per cent gain from 1947 to 1956 turns into a 5.5 per cent advance and the 4 per cent increase 1956-60 slows to a 1.7 annual rise.

The editorial goes on to develop that theme. In attempting to deal with this subject, in answer to some questions, the minister today did not come up with a long term, well developed statement of policy. I could deal with the answer he gave this morning and puncture many holes in it. He talked about West Indies trade. He did not tell us that we are losing a relative portion of the total there. He did not tell us it was the inconsistent policy of the government of putting one more difficulty in the way that has helped to create more difficulties in this group of islands that are trying to work out a federation which will have full control of these things, a customs union, and so on. He did not tell us he was the very minister who in his other capacity of minister of transport was the one who in one of those short term, quick actions, taken on the spur of the moment, dispensed with the shipping facilities between Canada and the West Indies. He did not tell us that it was that short term policy that did a great deal to damage that trade.

In any event, the point I wish to make is that the minister has been looking at this whole thing under short term, day to day policies, rather than developing a long term policy. Today, in answer to another question, he exhorted management and labour to get together. He spoke about the necessity of management, labour and government getting together to develop productivity. That is very true, and I am in accord with that statement. Then, he went on to make another typical, enthusiastic speech, exhorting management and labour to do the job. You could hear the speech being repeated so many times. He does this exhortation so well. Indeed, he did it in his football days. He is still at it; without the same characteristic effectiveness.

That exhortation to management and labour is all right. I have no quarrel with it. But he has failed completely to deal with that part requiring to be dealt with which falls under federal jurisdiction, that is what the government can do to assist the economy of the country to assist secondary industry to develop itself. He was completely silent on that subject. He did not give the kind of treatment to that aspect of the matter that would make his exhortations to management and labour effective in that they would know that the third party in this triumvirate was pulling its weight. Instead, we have resentment on the part of management and labour and a feeling that government has failed completely in the area with which it should concern itself.

The government can do and should be doing a great deal. It is the area having to do with the activities of government that should receive the attention of the minister. There should be action on the part of the government, action that so far has not been taken. We have the spectre of the government with its shortsighted policies placing added burdens on productive capacity and on productivity. It has done so in many ways. One way in which it did so was by failing to recognize the need to adapt the taxes that apply to production directly to meet the changed conditions that secondary industries mainly but production industries in general were faced with in the developing world situation. Not only did the government fail to do this but it also in fact increased the burdens that bear directly on production.

The minister did not explain the impact on secondary industries of the added cost brought about by the sharp increase in unemployment insurance charges imposed on both management and labour. One can argue about whether the increase was 35 per cent or what the amount was on each side. It seems to me that, depending on which category is being dealt with, it varied from 20 to 50 per cent. But if you take such an increase in the case of both management and labour, there is an increase in respect of that charge on production alone of somewhere between 40 and 100 per cent.

The minister has not explained at any time since the government took office the impact

of the 50 per cent increase in the old age security tax which was applied directly on production.

The Acting Chairman (Mr. Chown): Order. I am obliged to interrupt the hon. member to inform him that his time has expired.

Mr. Hees: Let the hon. member go on.

The Acting Chairman (Mr. Chown): Will the committee give unanimous consent to the hon. member for Ottawa West continuing?

Some hon. Members: Agreed.

Mr. McIlraith: I want to thank hon. members and I will try not to abuse the privilege unduly. I wish to complete my remarks and I hope they will be of a constructive nature, however destructive of the government they may appear at the moment. The sales tax, which is a direct charge on most production, was increased 10 per cent by the government. The corporation tax has been increased. Other taxes have been increased by way of changes in their application. In the legislation most of these changes appear to be administrative changes and they are somewhat more difficult to describe.

In any event, we must examine immediately the whole field of the applicability of taxation as it applies directly to production with a view to providing the changes and incentives that will enable our productive industries, particularly our secondary industries, to become wholly competitive against imports into this country. That can be done best by making changes in the kind of taxes I have talked about and through the appropriate application of incentives rather than through the minor restrictive tariff measures that the government seems to have applied regularly from time to time since it came into office and which have seemed to do nothing but destroy our trade relations while at the same time rendering no help to those they are intended to help.

The type of tax incentive that has to be applied is a correct use of accelerated depreciation in the proper areas. In the baby budget the government brought forward a measure to provide accelerated depreciation for industries establishing in depressed areas. I have heard the word "phony" used with reference to that measure and while that is not my word it is an apt way to describe it. It is not an atempt to grapple with the problem at all. It does not deal with what is required. It is too restrictive and narrow and the additional allowance on depreciation account for one year is not nearly sufficient. It is simply a useless little measure in terms of what is needed.

What we need is the use of the weapon of special depreciation on a broad front, first of all in meeting the depressed area problem we have in Canada and then in meeting our export problem. It has to be applied in a carefully planned way. There is quite a reservoir of experience in the application of special depreciation, and I am at a loss to understand why, when the government was dealing with one phase of the matter involving depressed areas, the Minister of Trade and Commerce did not take advantage of governmental experience in using this instrument to bring forward a policy that would be helpful. I suggest to him now that this matter must be examined immediately by the government and a provision for special depreciation brought forward and made applicable in a much wider field and in a wholly different way from what was done in the baby budget. I suggest to him that he will find there is a great deal of experience in the use of such a measure. It was very successful when used in the post-war years in another connection to bring industry into peacetime production. A remarkable job was done on that occasion and I am at a loss to understand why the same kind of job cannot be done now in relation to the problems that confront us today.

Then, of course, there are the problems of straight tax reduction and government waste generally. I think these matters could be more properly discussed either on the finance estimates or on the budget. I do not propose to develop them here other than to suggest that they have a direct applicability to this subject and that care must be used in the kind of policies that are brought forward so that they will not place needless burdens on productivity. I could be very critical of the Minister of Finance and the unemployment insurance fund so far as investments and so on are concerned. These matters must be examined. They are not only a responsibility of the Minister of Finance but, because of their implication, of the whole ministry and of the Minister of Trade and Commerce in particular.

Then there are adaptations of the sales tax. There are certain aspects of the applicability of the sales tax that must be examined again in the light of the problems confronting us today. It is a somewhat difficult tax to speak about because one has to deal with so many regulations and its applicability is not an easy thing to define in a few sentences. I am suggesting that it must be examined in relation to its applicability to all aspects of production. It is not just good enough to say that it does not apply to certain manufacturers and so on. A whole detailed examination is required.

Then we have all the other taxes and their applicability. There is this whole problem of the development of the very latest and best facilities that are available for secondary industry and for productive capacity. We must examine this field at once in order to see what measures—mainly tax measures—we can take in order to see to it that instead of plants engaged in production for export and for use in Canada being obliged to carry on with what I can call roughly now, for the purpose of this point, second rate production machinery or machinery that is not quite the latest and best for its purpose, we must make it economically possible for them to replace that machinery and equipment with the very best that is available in the world. We must examine our tax applicable to that problem with a view to providing the incentive that would enable industry to take the steps I am sure we all desire them to take.

Then there is the question of our general corporation tax which is very high. When we are talking about a corporation tax rate of 50 per cent or 49 and three it will be seen that we have placed a very heavy direct burden on these corporations. If they are to provide the jobs required, we must examine this tax structure in order to see that we are not placing on them a burden that negates the development of their productive capacity for the production of goods and the provision of the jobs that our economy requires.

As to the rate of taxes, it is extremely hard to make a comparison. I for one have not been able to get in a precise way the comparable figures for other western trading nations because the taxes are not exactly comparable. For that reason I have avoided using specific rates. However, in trying to check into this subject I get the impression that in the great western trading nations there is probably no other country in which the implication of taxation in this field is so heavy. As I say, that is not something that I can support with precise statistics because I just have not been able to get them in a form in which I thought it was fair to put them forward having regard to the slightly different applicability. But as I tried to find out about taxation and the German production, the Netherlands production and British production I formed the impression, at least in my own mind, that ours is much heavier in its implication and that, if we are to enable our secondary industry and our other production industry to compete successfully, we must make the adjustments necessary to meet that situation.

The committee has been very kind to me in allowing me to complete these remarks about this aspect of the matter. I feel very strongly that this aspect of the matter must be dealt with as part of our plan, that it is useless to talk about trade in today's circumstances without talking about that aspect of it as well as the other matter of duties and volume of merchandise exports and imports.

I hold the view that the kind of thinking that is required now is bold and imaginative thinking if we are to retain our position among the foremost trading nations of the world. As far as I am concerned nothing less will do. To me it is shocking that we have the extent of unemployment we have in this country. To me there are direct reasons for it. I know that there is some easing of the situation in the United States but to me a great part of it exists by reason of policies within our own country that we could control. I am not content to have that condition exist and to have the short term, hit-or-miss policies that the present government has applied to trade. It seems to me that any narrow, isolationist or increasingly protectionist policy is completely out of step with history or developments today in the world.

I have been sharp in my criticism of the present government under the present Prime Minister for adopting confusing and contradictory trade policies. I have made that matter clear every session. I could recount the starting from 1957. There was Mont Tremblant and the 15 per cent trade diversion speeches. They are just a series of short-sighted contradictory little statements. That thing is taking this country into a period of economic stagnation. We are receding in our world position in trade and there is no need for it. As the minister correctly said this morning, our industrial management and our Canadian people have the capacity for something much better than that. The government must provide the atmosphere in which they can do what they have the capacity to do.

We debated another subject here for some eight days this year and it seemed to me that none of the lessons of this country in the first half of the 1930's were learned by the present government.

An hon. Member: Oh, oh.

Mr. McIlraith: The hon. member interjects but I can recall to him that I am perhaps one of the few members here who saw the government of that day in operation. I am not going to go back and traverse that ground again but I could not help but think in the customs tariff legislation the concept of trade of the present government had too much of the concept of trade of the government of that day and trade policies which were proved to be wrong and which history and our own experience repudiate. That government brought us into a blind alley. I hope this government will not do that. I want to

make my remarks today a warning to the government and a request that they look at these things and examine them closely.

In those days the unemployment figures were not mere statistics to most of the older members although they may be that to some of the very young. However, to most of the older ones they are not that. They represented very real suffering in that era. They are shockingly high in this era again. It is true that we have social security that prevents the hardships from showing up and becoming apparent as they were in those days. Nevertheless, the problem is there just the same. The destructive value to individual human life is there just the same and we must deal with it. We must not allow blundering policies of this kind to be carried on through default in our criticism here to impel the government to change. We must bring forward these criticisms, as I see it, in order to impel the government to examine the problems and to make changes. We must, of course, try to be constructive in doing it.

The ways in which we can be constructive in it are, as I say, among many others by the government developing a carefully thought out, long term foreign economic policy for this country; by the government taking positive steps at the ministerial level to build up a good working relationship with the trading countries of western Europe which are in the two European trading blocs, with a view to bringing those countries in a larger and better relationship with the whole Atlantic community, in which we will take our full and active part. This will involve the United States, of course, and many of the other related countries.

When that is done, we must see that this long term objective keeps that Atlantic trading area an outward looking area, because if it succeeds in that it will solve this problem about which I spoke very briefly. I refer to the problem of the underdeveloped countries. It will provide the kind of trading area in which those underdeveloped countries can get stable markets for their commodities. It will remove that fluctuation of price of their commodities which is so destructive of them. It will do more to assist those underdeveloped countries than these very good, but direct contributions which the western world makes to them.

It seems to me that this kind of policy would be more helpful to these underdeveloped countries than the direct contributions which they are receiving. This direct aid is necessary, and I am not criticizing it; but it is this kind of positive policy that will meet this problem.

It is this kind of policy that will again bring us back into a position and keep us in the forefront of the world as a country offering the best opportunities for our young people who are born here, and for young people of other countries who wish to come here to join with us in the development of the best possible life for individual human beings.

Mr. Fisher: Mr. Chairman, I think the compliments one usually gives to the minister can be largely by-passed at this time. I should like to say that I have noticed one difference in the Department of Transport since the Minister of Trade and Commerce left that department. When he was minister it used to be that you could get a reply to a letter in two or three days. It now takes anywhere from two to three weeks for the department to reply to a letter. However, we are not dealing with the estimates of the Department of Transport and I will leave this matter until a later time.

The minister's remarks were almost nonexistent on the small business branch and its operations. When one looks at the number of people employed in the small business branch, when one tries to find out what its budget is, and when one reads the rather obscure outline in the minister's annual report of what the small business branch is trying to do, one begins to question very much certain promises of this government.

I think all hon. members of this committee, whatever their party, have been intrigued by the statements of the Prime Minister that the Kennedy administration in the United States has really looked to Canada for its example; or if not that, if a more restricted explanation is given, Canada—the Conservative party—has been in the forefront in measures to meet our present economic difficulties and the United States are following along behind. This is almost ridiculous when one looks at this particular aspect of the government's promises and its field of operation, and I refer to the small business section.

The Minister of Finance gave us an indication the other day of just how relatively small a response or opening there has been as a result of the small business loan legislation enacted this session. Certainly in the first month and a half of operation there was a most discouraging rate of interest in this legislation.

Then we look at what the small business branch of the Department of Trade and Commerce is doing. I do not know, but the minister could probably tell us just how much the branch costs. I see that they had fewer employees last year than they had two years ago. We have seen little indication that the

branch has done anything other than publish these two pamphlets, which have their value but are not unduly exciting. I refer to the "Small Business" manual and "Selling to the Canadian Government".

In the annual report some claims are made, in connection with the small business branch, to the effect that it is handling a great many inquiries; that it is becoming a clearing house for business inquiries. As a former librarian who kept statistics on the number of people who came into a library and the questions they asked, I know that statistics are not going to necessarily reveal a true pattern of what the branch is doing. However, I think the minister should tell us just what these six people handled in 1960, in terms of inquiries. What kind of inquiries were they, and how much effort went into replying to them? I should like to know how much duplication there may be in what is being done by the small business branch and by other government branches in terms of providing information. I can put it most bluntly by saying this to the minister. You have a branch here with six employees, and the branch is set up to handle business inquiries from the whole of Canada. This is nonsensical. Is the minister going to tell us, or would he argue that six people can answer the business inquiries that may properly be raised by small businessmen throughout the country?

Mr. Drysdale: What about your party?

Mr. Fisher: I am quite prepared to acknowledge that perhaps these six men are handling it at the present time, but the only reason they are doing so is because the country does not know anything about the branch and the functions it is carrying out. I have yet to meet a small businessman who has really heard about this branch and the role it is playing. What liaison does it really have with the people?

The report says this branch has been working with associations, and so on; but what can six people do? We had this big hullabaloo from the minister and his department in relation to the foreign trade drive. This is excellent, I believe. I think most of us believe it has filled a role. However, when one goes through the estimates and looks at the tremendous sums required to keep offices going in Beirut, Belfast, Berne, Bogota, Bombay, Bonn, Boston, Buenos Aires, and so on, and then one looks at this little pittance here of six people working in an area where the Conservative party made a great many promises when it was not a government, when it was seeking election, one cannot help but be struck by certain paradoxes.

The minister has never really dealt with this matter. What is this government doing through this branch? Why bother to set up something as petty as this? I think we deserve some explanation in this connection. While he is at it, the minister might tell us, since according to his report this small business branch did provide the background information for the Small Business Loans Act, why loans under the act seem to be moving so slowly. Why is it that I hear complaints from small businessmen to the effect that, really, the act has not opened up much for them at all.

The next matter upon which I should like to touch relates to the census and the whole question, not so much of the operation of it but the controversial part of it.

I do not think any member of this committee need be ashamed of being a Canadian nationalist. I happen to be one, and as a Canadian nationalist I am still very much bothered about the census arrangements and about the changes that took place. I could agree with the changes and I would not quibble about the cost of them in so far as it suited one element of the population which believed it was entitled to, or needed, certain kinds of information. But I put it to the minister this way. When the census enumerator comes around I am going to tell the census enumerator, whether it is question No. 10 or the next question, that I am a Canadian and that this nonsense of ethnic origins in terms of so many of the people of this country does not mean a thing.

I hope the minister has read an article by Mr. McGeachy called "Goats, bathtubs and Christmas trees—they're all in the census". He makes one point in connection with question No. 10 which I think is important. He is talking about the census inquiry regarding ethnic origin and he says:

> For some citizens this is a realm of sheer conjecture or family legend. But even correct answers don't, as a rule, mean a thing. For instance, Mr. Diefenbaker will no doubt have to answer "German" to the question (so would Queen Elizabeth if she lived here) but is there anything noticeably Germanic about the P.M.? Does he still belong to a Germanic "cultural group"? He's rather a solemn man; but this trait may well come from his maternal Scottish ancestry.

Mr. McGeachy is having a bit of fun, but it is still a very important consideration and I should like to put this question to the minister. When are we going to have a chance in this country to be Canadians and to forget about this ethnic nonsense? I should like to read to the minister a poem which appeared on this subject in the Fort William *Times Journal*. I think that in terms of metre it might be better than one usually finds in

newspaper columns. It is by a writer called Lloyd W. Zapfe and the title is "Reveille". It goes:

> "Breathes there a man", the poet said
> and questioned if his soul were dead
> enough, to care not to extol,
> the virtues of his "Better Ole".
> But what of this fair land of snow?
> where self-made men may come and go
> unfettered; paradoxically
> Canadians they cannot be!
> Dieppe and Vimy knew them well;
> The North Atlantic's cold grey hell
> and Europe's skies, they took in stride.
> Yet they must show not native pride.
> Five generations count for nought;
> The Redman scarce deserves a plot,
> for stranger is he not? Forsooth!
> He but arrived with Sabre tooth!
> Now Nordic, Latin, Slav, take heart,
> perchance someday you may be part
> of this great land; so justly famed:
> A first class citizen; acclaimed!
> **Countdown.**
> Damn the politician's crust!
> Let's shoulder ballots if we must
> and storm this Fortress Ennui;
> raise up our colors. All to see
> our native land attenuated,
> our citizens un-hyphenated.

This particular attitude is one which I share completely. I do not want to overstate the issue. As a political issue it certainly should not be approached on partisan lines. But I should like to ask the minister again: when, in Canada, are we going to be able to declare ourselves Canadians and not in terms of citizenship? I think this is a matter about which the hon. gentleman should come out into the open. We grant the compromise which has been made. We are not critical of the compromise if a certain group in French Canada wants certain kinds of information, but I fail to see why the fact that they want this information about their ethnic group should mean taking away from a large number of the rest of us the right to identify ourselves as Canadians. Good Lord, I have not the vaguest idea of the ethnic group to which I belong, but, if we are to go far enough back into the past, Mr. McGeachy has shown that the Prime Minister and the Queen are wonderful examples of the ridiculous side of this whole question.

It seems to me that the basis of approach to a matter such as this has always been compromise. I should like to suggest to the minister that there are a tremendous number of people in English Canada who are ready to see an end of compromise in this situation. I would also like to suggest to him that if the area I represent is any criterion there is building up a very strong sentiment against the negative aspect of the census. I say it is a negative aspect when after five and six generations you are still searching through your father's line to find out what your ethnic origin might be.

One other aspect of the census has already been touched on a number of times in the house. The shorter hon. member for Halifax gave us a statement reported at page 4012 of *Hansard* concerning the qualifications of the census commissioners. We were all amused when he said:

> Each of these commissioners met the following qualifications: a good education with subsequent professional or business experience in a supervisory capacity—

Then the hon. member for Trinity interjected:

> Good loyal Conservatives.

After which the hon. parliamentary secretary went on:

> —intimate knowledge of the census district; proven executive and organizing ability; tact, good judgment and ability to deal with the public. The salary is $1,200.

I have brought this point to the attention of the minister before. There are smart Conservatives and there are dull Conservatives and there are stupid Conservatives. There are needy Conservatives, there are some in moderate circumstances and there are some who are affluent. Without going into the situation that all the census commissioners in the constituencies of Port Arthur and Fort William are, to my personal knowledge, good Conservatives, some of whom did attend the Conservative party rally here, I am wondering, in relation to the commissioners selected, whether they really did fill the bill in terms of being smart, or being needy, or being competent.

I am not going to single out names but I have certainly very serious doubts as to whether some of the census commissioners at the lakehead possess these qualifications and I would just like to say to the minister that if he is going to appoint Conservatives, if he sets up an organization in co-operation with Mr. Grosart using the services of his parliamentary secretary to make the arrangements across Canada, if he has a census organization based upon the Conservative party, why does he not accept a certain responsibility for seeing that he gets good and smart Conservatives for the job? I am willing to accept that there are good Conservatives and smart Conservatives. But if you want to search at the lakehead you will find Conservatives who have more ability than the ones who were picked, and Conservatives who are in greater need. I suggest to the minister that not only in his role as a minister of the crown but as an important figure in the party he has a direct responsibility in this regard.

You might say, Mr. Chairman, that to talk about Conservative party organization on the estimates of the Department of Trade and Commerce is out of order. I insist that the minister himself and his parliamentary secretary have made it an integral part of the Department of Trade and Commerce. I was expecting that. I think the members of our party expected that. We are experienced enough to know that as long as we have this government in power we are going to have this pragmatic approach. I come back once again to the point I have made. There are smart Conservatives and there are dull Conservatives. There are affluent ones and there are needy ones. Why the tendency seems to be to give these jobs always to the affluent and to the dull is a little beyond my comprehension. I suggest this may reflect weakness in the Conservative party organization, and, with an election coming up, this might well prove very dangerous for the party. I think that when we come to the relevant part of the estimates the minister might take us into his confidence and tell us just how these people were picked. I know it has been easy in most of the constituencies because there are 207 representatives of the Conservative party here and their liaison with the shorter member for Halifax has been close. I have noticed the interchange of communication and the change in reputation of the smaller hon. member for Halifax as a result of this important role. I am thinking more of the constituencies not represented by Conservatives; the unfortunate places. I would like the minister to tell us where he received the advice as to the appointments. I am not suggesting that he should have come to me, or the hon. member for Fort William. I would not like to accept the responsibility of passing judgment on the dullness or smartness of Conservatives. However, I think it might have been better if he had turned to the national employment service for this information.

I also wonder if the minister has talked this over with the Minister of Labour. The minister may find that by by-passing the national employment service he has done an injustice to one of his colleagues. I have had many inquiries from individuals who would like these census jobs, particularly students. I always advise them to telephone Art Shewchuk, the president of the Port Arthur Conservatives constituency association. I would like to ask the minister if I am giving them the right advice. I was dealing earlier with the small business branch. Everyone likes to run an efficient operation and I want to make sure I am sending these individuals to the right horse's mouth.

I do not intend to say anything further about this but I do hope the minister can tell us more about the matter. Where should these people who are scrambling for jobs go? I think the smaller member for Halifax told the house that these individuals should apply to the census commissioners themselves but I have a hunch that they need clearance from the local constituency association, and that is why I have been sending them there. If I have been committing an error I would like to know so that I may correct it. I hope the minister will straighten out this situation for me.

The last point I wish to touch upon in connection with the minister's department relates to information about the expenditures of this department. I would suggest that one really does not get as much information from appendix F in the annual report as one might like regarding the operations of this department. Since the public accounts are always somewhat in arrears so far as presenting a pattern, and since the estimates give a very incomplete picture of the costs involved in operating the various aspects of the department, I wonder whether it might be possible for the minister to expand on that information. Perhaps I could make this clear to him by pointing out to him that under heading no. 2 "Expenditures by Main Item Only" there appear some very large figures. However, when one turns to statement No. 1, expenditures for fiscal years, where one is supposed to find the details, there is not a very adequate breakdown. If an attempt is made to understand the very complex role carried out by the standards branch, and there are a number of functions that branch performs which may be complementary but are quite distinct, one cannot really ferret out this information. I pointed out the small business branch earlier as another example which, as the minister will remember, started its first year of operation with $35,000. I do not know whether that total amount has been spent, and I would like to know how much the operation of that branch costs, and what plans there are for the expansion of its expenditures. I would like to know how much of this money is represented by salaries to staff, and how much is represented by the cost of reference work.

In conclusion I would like to say that the minister's speech in regard to the whole question of trade, which he made at the lakehead about a month ago, received good response from the businessmen there. Those businessmen accepted the remarks he made because they felt the minister intended to do something about trade policy. I have on a number of occasions since heard criticisms, and have witnessed a change in attitude, which now

seems to be that the minister has a lot of pep and enthusiasm; however, what is the government doing in a practical or concrete way to carry forward this enthusiasm and exhortations to do better?

The minister came into that area of Ontario where we live and made some challenging and enthusiastic statements but I do not think he can leave the situation at that. We would like to see some follow through in this regard. When are his officials going to arrive in that area to follow up that pep rally the minister attended? The hon. member for Ottawa West in fact asked the same questions although he cast them in a more general but complicated manner relating to the department's trade policy as a whole. I would like to ask the minister now how he is going to follow up this picture of his so that something is filled in around the general hosannas and florets?

Mr. Hees: Mr. Chairman, I would like to answer some of the questions put to me by the hon. member for Port Arthur. First of all he asked about the total outlay of the small business branch. The total amount is $70,000. The allocation of that $70,000 is, to staff $65,500, but the actual expenditure there at the present time is about half that. There are six individuals working in that branch and the total allocation is for 13.

The hon. member asked if I could tell him something about the activities of the small business branch itself, and I will now try to do so. The small business branch serves as a focal point for the small businessman to come to discuss his problems and to receive assistance and advice. The present rapidly changing economic conditions often pose particular problems for small businessmen. The branch was established in order that it might provide a specialized service to help small businessmen in dealing with these problems. The small businessman receives assistance and advice from the branch on such matters as the establishment of a business enterprise, capital and other financial requirements, unfair business practices, government procurement, government services generally, accounting, and other fields of business management. The branch actively studies the problems of small business and, in co-operation with other departments, advises the government on possible courses of action to alleviate such difficulties.

The branch serves as a clearing house for small businessmen, in that, if it cannot provide information from its own resources, it directs the businessman's inquiries to the appropriate government departments and agencies which have the required specialized knowledge. The branch can also provide businessmen with information on federal government procurement and, in this connection, has published a manual entitled "Selling to the Canadian Government". The business community has requested more than 10,000 copies of this document. In co-operation with manufacturers' associations, the branch prepares other types of business publications aimed at assisting small business.

I would be very interested if hon. members would tell me of any small or large businessman who has made inquiries of this branch but has not received satisfactory information or service. We in the Department of Trade and Commerce pride ourselves in doing everything that is humanly possible to give the service and information that is asked for. We may not give all that is asked or perhaps even satisfactory information, but we attempt to do so. If we do not, then we want to kno why. I would appreciate hearing information in detail from any hon. member regarding any incident as to how we have let any small businessman down in regard to information which he has asked for but has not received.

The hon. member also asked for information regarding the small loans program. I have just been handed some information in this respect. From January 19, to March 31, 1961, there were 334 loans to a value of $2,034,628. The average size of such loans was about $6,000. This emphasizes the small loan feature.

The director advises me that loan activity is expanding very rapidly. For instance, in March the loans were about three times the number of those in February, and expansion is expected to continue at a similar rapid rate. He explains that, after all, it takes some time to get these operations going, but activity is stepping up all the time.

The next thing the hon. member asked about was the census itself. He emphasized the desirability of a Canadian being able to say that he or she is a Canadian. This is one of the prime purposes of the revised census form. If the hon. member will look at question No. 9 he will see that it reads as follows:

> Country of citizenship.
> Are you a Canadian?

I do not know of any better way that a Canadian citizen can say that he is a Canadian than by being asked "Are you a Canadian?" and answering "Yes". If there is any better way of saying it, I should like to be advised of it by the hon. member.

The hon. member then said he regretted that ethnic origins are asked for. I wish to advise him that there are some 18 million-odd people in Canada and a very large proportion of those find it very important to

know the ethnic origin of the people of Canada. That is the reason why the question is asked.

The hon. member asked if I could tell him how a Canadian citizen goes about becoming an enumerator for the coming census. The simple answer is that he applies to the census commissioner in his area. They are the ones who will decide who will be the census enumerator.

Mr. Winch: The minister should see how it was done in Vancouver East.

Mr. Hees: The hon. member asked if we could expand the details given in appendix F in the annual report. I am glad to be able to say that we shall be happy to look into the possibilities of doing that. We want to give all the information possible without having the document too unwieldly, and we shall do everything possible to give more information in that appendix.

The last question asked by the hon. member was what follow-up is my department giving to what he described as the pep talks that I am giving around the country. After listening to the hon. member for Port Arthur and the hon. member for Ottawa West I seem to get the impression that they think there is something bad and distasteful about being enthusiastic and trying to enthuse other people into a greater selling effort and a greater producing effort. That is what I have been trying to do across this country since I took over as minister. I have been trying to point out what the citizens of this country must do in order to help themselves. This is what I have been trying to point out and I will be doing this further at trade conferences which are being conducted in various provinces across this country at the invitation of provincial governments, chambers of commerce, and so on. I shall be indicating to the businessmen who are attending those conferences, and who have already attended them in very large numbers, exactly what services this government department has at the beck and call of businessmen who are interested in going into the export market, and to try to induce more to go into the export market, telling them how we can help them.

At least half of those conferences are going to be devoted to the problems faced by individual businessmen in the domestic commerce of this country; in other words, trying to sell their goods and services here in Canada.

I spoke in the hon. member's home town of Port Arthur a few weeks ago. He was present at the meeting. Evidently he thought of my speech as a pep talk and nothing more. Some of the businessmen who attended thought it was useful. He asked me what our department is going to do to follow up, and when my officials are going to go up there again. I can assure him that I have not enough officials in this department to go often to every city in Canada, much as we would like to do so. We operate what we think is an efficient department here in Ottawa. Our doors are always open. We try to give them all the information possible. I have tried to do so in my speeches to businessmen generally across Canada and to anybody else who would like to come here and talk to us. I have tried to tell them that we have a tremendous number of services available to businessmen right here in Ottawa. We cannot go to every city; we cannot talk to all of the businessmen in their places of business, but we have services available to them here, and if they have not the desire and the initiative, when they have problems, to ask us about them, to write to us or to come here and talk to us, then I am afraid that is their own concern.

But a great many businessmen have that kind of interest. A tremendous number come to us every day in the week and we try to give them all the services that we possibly can to help them do their job better, to make sales, to make jobs available to Canadians. If the hon. member, or any other hon. member, knows of any businessmen who have come here and found that we did not give them service, that our services were not available to them, that we were not as helpful as we should have been, I would honestly appreciate it if he would give us the information or let me know because I want to check up on those particular branches which are not giving the service. I know that all of my staff are equally interested to hear of any information of that kind. We pride ourselves on trying to do a good job. We intend to keep on trying to do it and any help the hon. member or any other hon. member can give us in assisting us in this regard will be most appreciated. I think I have answered the hon. member's questions.

Mr. Fisher: I have a couple of questions. First of all, on the citizenship matter, the minister says that the census form allows one to state very clearly that he is a Canadian, but under what framework? This is my quarrel with the form. Question No. 9 under "country of citizenship", asks "Are you a Canadian? If not of what country are you a national or a citizen?" I do not see how one can look at this question without turning to question No. 10 which reads:

To what ethnic or cultural group did you or your ancestor (on the male side) belong on coming to this continent?

I am just suggesting to the minister that one question demeans from the other, and the necessity of a question such as "Are you a Canadian" under the label "Country of citizenship" to me is unnecessary.

The comments by the minister in part of his rather fighting-back attitude were along the lines of asking did I know of any examples of people who had a poor response from the small business branch. I do not. That was the point of my argument. My point was, if you have a branch of six members dealing with problems of the whole country there must be a certain inadequacy in the kind of service they perform. If businessmen across the country are responding and asking questions, how can six men do the job? I am just suggesting to the minister that there is a certain irony in the fact that we spend $52,000 in Beirut and $65,000 in Berne, and so on, and yet in this very important aspect of our work the minister has six members in Ottawa.

Mr. Hees: Perhaps I can answer that. We could enlarge the number of people employed in that branch up to double the number and more than that any time we wish to, as soon as the pressure of business justifies it. That branch is there. As far as I know it is well known to businessmen across the country. When I go to speak in the various provinces in the weeks ahead I am going to re-emphasize the fact that the small business branch is available to give service. We want as many small businessmen in Canada as possibly can to come to us, write to us, and ask us questions. There is nothing I would sooner do than quadruple this staff and I will do so as soon as the pressure of inquiries from small businessmen asking for information justifies it. I am not going to enlarge the branch just for the sake of enlarging it. I will do so as soon as there is any justification for doing so. I would love to see the branch consist of 50 people working full time. That would make me very happy because it would show that we were able to give small businesses a great deal of help of the kind they need to enable them to do more business and employ more Canadians. If the hon. member can act as a salesman for us in any way by telling people what we have available and if all other hon. members will do likewise, I will welcome it very sincerely indeed.

With regard to the census questions, I am afraid I cannot explain that matter any better than I have. The question is asked, "Are you a Canadian", and you say "Yes". If that does not give you a chance to say you are a Canadian, I do not know what does. I cannot think of how you can put it any more clearly. The next question has nothing to do with being a Canadian citizen because it asks, "What ethnic group did you belong to before you came to our shores?" You cannot be a Canadian citizen before you come to the shores of this country. These are two completely different questions. They were thought out carefully and I hope they are satisfactory to the Canadian people. I do not know how we can make them any more satisfactory.

Mr. Fisher: As to the last rebuttal of the minister with relation to his appearance at Port Arthur, I think he misunderstood me. He said that he went to the lakehead and made his speech and he thought there was an enthusiasm that I apparently did not see. The minister is mistaken. I was glad he came to the lakehead and made his speech, and there is nothing wrong with putting on a pep rally. It was especially fortunate that it came at the time it did because, as the minister knows from the remarks he heard there, our area has suffered very severely from unemployment this winter. I give the minister credit for raising the spirits of the people who were at the meeting. I was simply suggesting to him that there needs to be a following up and building up of the kind of liaison that the minister is establishing in a very popular way. If I can do anything to advertise any of the services of his department, I will be only too glad to do so.

The last remark I would make is that there comes a point of diminishing returns in generating enthusiasm. All the generation of enthusiasm in the world will begin to taper off and the fillip will go out of it unless there is some concrete success in relation to it. Whether the minister is a success as Minister of Trade and Commerce we have no clue yet. I think there are indications that we are going to have to wait a bit longer to find out, and I would simply suggest to the minister that we will not know the measure of his success or the measure of the success of his rallying enthusiasm until we see some changes and developments both in regard to external trade and in helping small businesses. I do not think I can put it any more fairly than that.

Mr. Hees: I do not want to carry on this debate interminably but I do want to point out that in the speeches I have made since I became minister I have tried not to be simply a pep rally leader or somebody going throughout the country in that way, and I tried to point that out this morning in my opening remarks. I took it that some hon. members who heard me speak in the house on Friday got the idea that I thought everything was fine, that all we had to do was to

carry on doing what we are doing and everything would work out for the best. I said that I wanted to correct that right away and I did.

I have tried to point out that all across the world, as I said once again this morning, we face the toughest competitive situation this country has faced since before the last war. It is a very serious competitive situation because countries that were formerly our markets are now our toughest competitors. I have tried to outline what the government is willing to do, can do and is doing to help business. I have tried to point out what management and labour must do in co-operation with the government, that this is a three-way operation involving government, management and labour and that we all have a big job. Nobody can turn to the other fellow and say, "It is your job; it is not mine".

Mr. Martin (Essex East): That is what the Minister of Labour has done.

Mr. Hees: It is a job for the 18 million people in the country. I have not tried to make out that all you have to do is to hold pep rallies and everything will be fine. I have tried to point out that we are up against a very tough situation. I have tried to point out what has to be done and to urge people to do it. I hope they will do it. If they do, if we can work together in the way of the peoples of Europe and Japan did in pulling themselves up out of the slough of the war to the top of the heap in 15 years, then we, like them can have full employment. We can have our very high standard of living, the highest in the world, I believe. But I say again that it is up to us and that people cannot simply sit back and wait for some miracle that the government is going to create. Nobody is going to create any miracles.

Mr. Martin (Essex East): Let the government give some leadership.

Mr. Hees: We all have a job to do. The sooner we recognize it, the sooner we are going to get under way and the sooner we will be at the top of the heap where the countries of Europe now find themselves as a result of such efforts.

Mr. Martin (Essex East): Why does the government not give leadership?

Mr. Hees: That is exactly what the government is doing.

Mr. Chevrier: Give us an example.

(Translation):

Mr. Caron: Mr. Chairman, I think the Department of Trade and Commerce is probably one of the most important departments for settling, not temporarily but permanently, the unemployment problem, provided the department is properly run in relation to Canada's needs.

Let me say at the outset that I think the minister has made a worthy effort; he has tried to inject some life into Canada's business and industrial community. However, I think his effort has not been enough, has not produced what we had a right to expect from the Minister of Trade and Commerce because in my view, the main cause of unemployment is the lack of outside markets in which to sell our surplus production.

We need new markets. We are told at one point that our exports have gone up, and a month later we are told that they have dropped. Perhaps it is true, but one sure thing is that Canada, with a population of 18 million, produces much more than it can consume. We must find markets outside Canada, throughout the world, for this surplus production.

Has there been a real effort made in that direction up to now? We know we are selling abroad. Just recently, we sold some wheat. That is fine, and we welcome it. However if you take a closer look at the statistics, you find that 40 per cent of our exports are agricultural products, approximately 40 per cent are raw materials, and only 20 per cent are manufactured or semi-manufactured products. When we sell raw materials abroad rather than manufactured or partly manufactured products, this works to the benefit of the workers in other countries and to the detriment of our own workers.

I was reading recently in the *Financial Time* for March 17, 1961 an article written by Mr. Rae, vice president and general manager of the North American Division of Atlas Steels Limited. Here is what he had to say on the particular point I was just making:

(Text):

The only effective solution to Canada's small market for most of our industries is active development of markets outside Canada.

(Translation):

That, in my view, is what the Department of Trade and Commerce should do: it should tackle this task earnestly so as to find new markets; otherwise, we can expect steady unemployment for years to come, and I do not think the Canadian people, no matter how good-natured they are, will be prepared to put up with such a situation much longer.

There are those who claim that to get a better share of the foreign market, we would have to step up production, as this would probably lower the cost of our goods. How

can we step up production when we already have surpluses that cannot be sold? It does not make sense. We must find new markets, and reliable markets.

Here is another quotation from the same article:

(Text):

Because we make products used almost entirely by industry, not directly by consumers, our major export markets are the world's industrial areas such as the United States, United Kingdom and Europe.

(Translation):

This means that we are losing here the jobs we should be giving to our workers. There are plenty of markets, of course, but our prices are perhaps too high and that is a bad thing.

Indeed, the minister himself pointed this out, because the same writer said:

(Text):

On February 7th, here in Toronto, our minister of trade and commerce said it was necessary for industry to reduce its costs to be competitive overseas.

(Translation):

That is something we admit. But how can we manage to cut down the cost of our products? There might be a way, if some emergency forced us to use it, and that would be to establish some sort of controlled economy which would settle everything. But this does not seem quite in order in a democracy such as we conceive it. However, the government could, as did certain other governments, provide grants to enable our prices to meet those of other goods on the foreign market at least for the first year. This policy would enable those industries to decrease costs by increasing their production so that, after a year, or perhaps two or three, Canadian manufacturers could sell their goods on the foreign markets at a competitive price.

Has this been done? I do not think so. I hold that this is one of the first points the present minister should watch.

As a matter of fact, in his Toronto statement the author finds that our attitude is contradictory, and he says:

(Text):

Two weeks later he was reported to have said increases in taxes were inevitable in 1961. I find it impossible to justify these two statements or to believe he does not consider taxes are a cost item.

(Translation):

And this is true, as the member for Ottawa West (Mr. McIlraith) pointed out earlier. Therefore, the entire department should look carefully into our whole taxation system, because something must be done.

Canada cannot wait any longer. Even though the minister did all he could, if it is not enough, he should seek counsel from the other ministers to determine what are Canada's needs at this time, because, let us not forget it, unless we find some way of disposing of our surplus production, no matter what government is in power in a few years from now, because of the present emergency we shall have to resort to a controlled economy. I do not believe that Canadians are too anxious to see that happen. We had to do it during the war because that was an emergency; we controlled prices and production costs; we controlled everything, in order to maintain a war-time economy. That can be done in cases of emergency, and if the situation remains as it is today—as reflected by the serious unemployment—and if the government fails to increase our markets, we shall be compelled to implement a trading policy which, as I said earlier, is not considered appropriate for Canada.

In the same article, Mr. Rae had this to say also on the subject:

(Text):

In order to manufacture our products at prices that will enable us to meet competition from imports we have to have modern, high-volume, efficient equipment. In order to justify purchasing such equipment, we have to have markets much larger than Canada alone provides.

(Translation):

And that is a fact. The whole question revolves around the matter of finding ways of disposing of our surplus production.

Mr. Chairman, we find ourselves in the midst of a situation that did not exist 10, 15 or 20 years ago. We see the idea of a common market gaining ground in Europe and involving in certain parts a free trade area. This will necessarily affect Canada's foreign trade.

Now what is the government doing in the face of such a situation?

We were approached by the British at Mont Tremblant. We were invited to consider the matter of free trade among the British nations. Did the government at least take the trouble to study the suggestion, to determine whether there was anything in it that might improve our situation? I do not blame the government for not accepting it immediately, but I do blame the government for failing to give it serious consideration, for failing to set up a committee of qualified people to study the matter, so that we might have known definitely whether it was possible for Canada to join a free trade area.

We are now witnessing the development of the common market. And I will say this, Mr. Chairman. The Conservative party, which had always been considered as more empire-minded than any other party, will probably be responsible for breaking the commonwealth ties, in view of its stubborn refusal to recognize the situation facing the U.K. at the present time.

Faced with the common market, the United Kingdom has to keep in step. Last week, the United Kingdom indicated that it would necessarily join the common market, but before doing so, would have to consult with the commonwealth countries in view of the preferential tariff prevailing between those countries. Therefore, Canada will have to follow the suggestions which have been made both to the minister (Mr. Hees) and to the Prime Minister (Mr. Diefenbaker), and try not only to develop a common market area with the United Kingdom and other commonwealth countries, but try to develop a common market within the 15 NATO countries. Instead of trying, through increased tariffs—whether disguised or not—to protect a dwindling industry, the government should try to widen its perspective and find a means of selling our goods on other markets by reaching agreements not only with the United Kingdom and with the commonwealth countries, not only with the European common market, but with all 15 NATO countries which are prepared to take and accept the necessary steps to help their industry.

I do not wish to pursue the matter any further, but I hope the minister will take the trouble to study the situation so that Canada may know where it is going and what it can expect.

(Text):

Mr. Carter: When I replied on Friday to the minister's statement I chided him a bit for some omissions that occurred in his speech. After reading the *Hansard* record of Friday's debate I discovered that I myself made one or two serious omissions. I should like to take a few minutes now in order to repair those omissions, to avoid any misunderstanding that may arise and also to correct any wrong impression that may have been created.

Hon. members will recall that I compared the Minister of Trade and Commerce to a general who had called his troops in for a briefing to acquaint them with the facts of life of world trade. Among those facts of life in the world of trade I cited Russia's efforts to increase and accelerate her own industrial expansion while at the same time doing everything possible to hinder the industrial expansion of the free world.

I also referred to Russia's efforts to secure economic control of other countries and to integrate their economies into a trading bloc which would be complementary to her own. In addition I referred to Russia's economic aggression and penetration, and her increasing tendency to disrupt normal trading relations.

To counteract that action I made two suggestions. First I suggested that we should take action internally to protect ourselves against aggression and penetration and encourage other countries to do the same. I suggested that we should also take action externally to prevent trade disruption. In that connection I was thinking in terms of an association of free nations in the world of trade which would be somewhat similar to NATO in the realm of defence. Such an association would be able to buy up surpluses which Russia might use to disrupt world trade.

My first omission was the failure to point out that this in itself would not be enough, that what is actually needed is a dynamic, positive program, as was pointed out earlier this afternoon by my hon. friend from Ottawa West. The measures I was suggesting were by nature anti-communist, and I do not think there is any percentage in merely being anti-communist.

The military defeat of communism is something that cannot now be contemplated, and even were it possible, it would be useless because the evils that created communism would still remain. That is the real battle that has to be fought.

I think I pointed out to the minister last Friday some of the defects in our free enterprise system. I pointed out some of the weaknesses. Unfortunately these weaknesses are traceable to weaknesses in ourselves as human beings. If we are really going to do anything about this, we must come to grips with what is wrong in ourselves.

On Friday I spoke of the need for new goals. My second omission was the failure to call attention to what I consider should be our main goal at this time. That goal arises from a fact of life in the world of trade which is just as significant as the struggle for world domination in trade. This fact of life which I omitted is the gap in living standards between the industrialized countries and those countries we refer to as underdeveloped.

The people who live in the countries of Asia, India, Africa and other underdeveloped parts of the world, such as Latin America, have suddenly become increasingly aware of this gap. This has generated a wave of

nationalism in an effort to try and do something about it. They have before them examples of what Russia has accomplished in the space of 40 years. Even with the interruption of two world wars, we know that the Soviet union has developed from a backward nation to one of the foremost nations in the world as far as technological progress is concerned.

The people in these underdeveloped countries of Asia have another example in red China trying to achieve in 20 years what Russia achieved in 40 years. The industrial development of China is just as significant a fact in the world today as that of Russia.

In this connection Japan plays a very significant part. We know what it is to have on our borders a large trading nation. Japan is in exactly the same position and is experiencing the same pull economically as we are experiencing from the United States. Indeed, one of the main objectives of the policy of red China is to secure control of Japan in order to harness the industrial capacity of Japan to the manpower of China and the natural resources of southeast Asia. If China can succeed in doing this, she will outstrip the progress made by any nation in the world.

This afternoon the minister referred to Japan as an example of a nation which had risen from the ashes and had become one of our toughest competitors. This is of course true. However, we must not think of Japan only as a competitor. We must realize that Japan is also an ally of the free world and a key country in the survival of western democracy. Should the economy of Japan become dependent upon that of red China, the chances of survival for the free world would be very seriously impaired. Therefore, while we acknowledge Japan as a competitor we must conduct our trading relations with her as a country whose economy is vital to our own security.

The minister spoke this afternoon about the importance of design, quality and right prices. He said that if we paid attention to these matters we could achieve not only the second highest standard of living in the world, but even the highest standard of living. That is possibly true. However, I think there is the great danger that we might be tempted to make this our goal. If we did, we would do so at great peril to our survival as free peoples.

Certainly we must try and raise the living standards of people in our own country whose standards are still far below the national average; but to increase the over-all average of our standards of living in the western world would serve only to increase the gap which exists between ourselves and these underdeveloped countries.

It is certainly in our interest that we should do everything possible to close that gap and assist the underdeveloped countries as quickly as possible. My colleague the hon. member for Ottawa West made that clear this afternoon. This is the goal at which I feel Canada and the free world should be aiming at this time and it is one of the things which I believe the minister should include in his briefing of his commissioners, businessmen, and all the contacts he makes as he attends trade conferences. It is a goal which all the people of Canada must be brought to accept. This is the kind of leadership which is required at this time. It is the kind of leadership that Canada could and should be giving in the world of trade, and I hope the minister will do everything in his power in that direction.

Mr. McGee: I do not wish to delay the passage of the first item on the minister's estimates but I have a few comments to make in connection with the conference of trade commissioners last fall and the subsequent action taken to complement that activity by the establishment of export credits.

I am wondering about the limiting factors in the operation of our trade commissioners, the obvious position being that the trade commissioners cannot in fact write an order on behalf of a particular manufacturer in Canada and in particular on behalf of the smaller secondary manufacturers. I am wondering, further, if any of the associations with which the minister has been dealing have evolved a method of sending abroad representatives of perhaps groups of industry within the same field or groups coming from a specified commercial area. I understand certain persons have given considerable thought to this and I wonder if the minister can tell us if he has encountered any efforts along these lines in his travels.

I wonder, too, if in approaching this problem of trade in the vigorous way in which the minister has approached it he has had the staff of his department examine specifically the procedures that were followed by Germany in the post-war years and in more recent years in developing the aggressive export trade pattern that they have evolved.

One other thought did occur to me, and I am wondering just how much consideration has been given to it, though perhaps it is being held in abeyance to await the impact and effect of the activities to date. I am wondering if something in the way of incentive has been considered in a broad or specific way to various industries which can

develop certain important increases either in our export trade generally or in certain selective areas.

I would appeciate very much hearing from the minister about these few matters.

Mr. Hees: In answer to the hon. member's questions, may I say that the board of trade for Vancouver send a trade mission overseas every year. This year they are sending a mission to Italy. Last year one went to Japan. I am advised that the Canadian chamber of commerce in 1959 sent a trade mission to the West Indies and that in 1960 they sent a trade mission to Australia and New Zealand. The Halifax board of trade recently sent a trade mission consisting of 128 persons for a two weeks trip to the United Kingdom and they have just returned from that market.

We are very happy indeed to co-operate closely with any chamber of commerce or board of trade that wishes to send missions overseas, or with any trade association. We encourage that very strongly. We make our trade commissioners available to them everywhere they would like to go, and this link between the department and these missions is a fruitful one indeed. It leads to directly increased trade and it enables people to go abroad in a group and develop trading opportunities.

Mr. McGee: Are these people qualified to write an order? That is the question which was in my mind. Are these people simply duplicating the activities of our trade commissioners?

Mr. Hees: The businessmen themselves must write the orders. There is nothing to stop a business firm appointing as an agent for the trip another businessman who happens to be going and telling him to accept or place orders under certain conditions. That could be done very easily, but it would be up to the individual firm to designate its own appointee.

Mr. McGee: Supposing a businessman wanted to appoint a trade commissioner as an agent for a certain transaction, would he be precluded from doing that?

Mr. Hees: A trade commissioner could not enter into trade negotiations. He could do a tremendous amount of the preliminary work leading to a sale, but the actual signing of the contract must be done by the representative of the business itself.

Mr. Herridge: I have very few words to say but they are of great importance to some of my constituents, as usual. I want to thank the minister for his replies to the questions I asked last Friday and tell him I am sorry I could not be here earlier this afternoon to listen to the debate. My attendance was required at the external affairs committee to see that the affairs of the country were being run properly.

However, I do want to bring to the attention of the minister a question which I have raised in this chamber before. I have been asked by a number of my constituents to raise it again and then to make certain suggestions to the minister. The subject I have in mind is the unethical practices of a number of United States lumber and forest products industries particularly in the Kootenays in recent years. There have been 20 or more of these companies established. They operate for a year or so, show a profit in some cases and then owners or management disappear across the border while the employees, the creditors and others are left holding the bag.

The latest case involves the Hilco Lumber Company, Limited, near Fruitvale, British Columbia, whose activities I brought to the attention of the house on an earlier occasion. This company has been in operation for two or three years, and it succeeded in showing a profit of more than $43,000. In 1960 it ceased operations just prior to Christmas and showed total current liabilities of $141,893.46. Not only were the wages of employees unpaid for two or three months—some employees were owed up to $1,200—but a large number of business people had been defrauded. Provincial government assessments had been left unpaid. Money was owing in respect of the social service tax, the British Columbia property tax and other taxes.

There was, for example, the income tax deducted in respect of employees. The department is, I think, owed nearly $9,000. This money was deducted from the pay of employees and it belongs to the Department of National Revenue. There are other taxes, accounts and so on owed all over the country. These men were left without a cent, and, to make it worse, when they went to collect their unemployment insurance they found that although this company had been operating for two or three years it had not paid a cent of unemployment insurance contributions. Here were these poor chaps left on the rocks without any entitlement to unemployment insurance benefits because the company had not purchased the stamps.

I understand that after a review of the circumstances had taken place provision was made for a considerable number of these men to receive unemployment benefits. I have received a good number of letters on this subject. The clergy of the churches of various denominations in the area have written to me, as have a number of other people, because they are aware of the circumstances

and of the plight caused to these employees by this dishonest management.

In addition to that I received a letter from a pioneer rancher who accumulated quite a large estate but who suffered the loss of a great many of his assets in recent years through the unethical practices in bankruptcy of the Wesley Lumber Company and the Ray Ragsdale Lumber Company. This is one illustration of what has happened at Golden, in areas along the Crowsnest Pass west of the Alberta border, around the Lardeau district, in the area of the upper Arrow Lakes, and in the Revelstoke area. This situation has become a blight in recent years. I want to emphasize the importance of this to the people in those areas concerned, as well as in other constituencies than mine. I was asked to take this matter up in the house and I have done so.

Mr. Hees: I thought the hon. member had finished. I was going to say that I am very interested in what he has said, and assure him that I will take this matter up very seriously. It does sound quite serious to me. I will discuss it with my appropriate colleagues to see if we can get to the bottom of this situation.

Mr. Herridge: I appreciate the minister's co-operation and thank him for it. I intend to outline the story, but I will write the minister fully giving him photostat copies of the correspondence I have, as I am sure he is concerned with this situation.

The commercial attache to the United States embassy noticed some remarks which I made earlier this session, as they appeared in *Hansard* and, as a consequence, very kindly telephoned me stating that he was very disturbed about the situation and would do everything he could to assist. He has done that. An investigation was carried out in this regard. I will not deal with my correspondence with the commercial attache fully but will send copies to the minister. That individual has gone to considerable trouble instigating an investigation into the companies concerned in the United States. The results of that investigation are not of very much credit to the companies or individuals concerned.

I have also taken this matter up with the superintendent of bankruptcy who is also concerned with these repeated occurrences in my area as well as, I assume, other areas. I should suggest that these losses could be avoided with the co-operation of the department because they are occasioned by the lack of information and guidance. Honourable people living in isolated spots, not used to consulting lawyers or bankers, witness a man driving a Cadillac—this did happen on one occasion—spending a few thousand dollars for a week or so and think he is a millionaire. I am not as easily taken in as some individuals in my constituency have been. I would suggest that perhaps the minister should look at the situation and, with the co-operation of other departments and the commercial attache to the United States embassy, who I am sure is very willing to co-operate, could supply the information in order to curb this rash of fraudulent operations in bankruptcy. Perhaps an amendment to the Bankruptcy Act, will be required.

The superintendent of bankruptcy wrote me a letter dated April 21, 1961 from which I would like to quote a paragraph which reads as follows:

> However, unfortunately, the Bankruptcy Act as now constituted does not seem to contain a remedy and I must confess that the solution is not immediately apparent. Should you have any suggestions, I shall be only too pleased to receive them and to give them due and proper consideration in conjunction with a study of the present provisions.

While it may be possible to amend the Bankruptcy Act so as to have stricter control over these things, I am of the opinion that the most effective approach must be made through the minister's department, with the assistance of the commercial attache to the United States embassy. I urge the minister to give this his consideration, to see what can be done either by distributing information to various organizations, such as the chambers of commerce and farmers' bodies, advising them of the steps that can be taken, or perhaps by an amendment to the Bankruptcy Act. I shall be very pleased to assist the minister in any way I can and give him any information I have in this regard.

Mr. Hees: Mr. Chairman, I will be very glad to look into the matter as soon as I receive that information from the hon. member.

(Translation):

Mr. Ricard: Mr. Chairman, in rising to take part in this discussion, I cannot but congratulate the Minister of Trade and Commerce (Mr. Hees) and express my admiration for the work he has accomplished since he was appointed to this department. Needless to say my admiration also goes to the staff of that department.

Bold legislation has been initiated under the minister and is beginning to give results which certainly may give some encouragement to our people.

Of course, the minister alone cannot be responsible for solving our problems. All concerned should be ready to make every effort of which they are able. There should also be some contribution on the part of governments,

provincial, municipal and federal, of industries, business and the workers themselves. Without such co-operation, all work proposed to stimulate business at home will give only partial results if it does not lead to complete bankruptcy. Governments should co-operate in order to create a climate favourable to trade between the various countries.

As for industry, it should try to explore all avenues to ensure that the work and products offered to their customers are of the highest quality.

Businessmen, on their part, should as much as possible promote the sale and distribution of Canadian products, so as to give employment to the greatest possible number of Canadians.

As far as the workers are concerned, they also should make every effort to cut down losses, and thus help manufacture goods as economically as possible.

On the other hand, consumers must, I think, give preference to Canadian made goods; this will promote employment at home and give work to a greater number of Canadians who depend on that type of activity.

I also believe that it would be well for our chambers of commerce and trade unions to promote a "Buy Canadian" campaign.

Such an attitude would allow our economy to recover its strength, as it is only normal that Canadian products be first absorbed by those who manufacture them and by the taxpayers of this country.

As the minister stated this afternoon—and I think it bears repeating—some countries which formerly, and more particularly during the war, were among our customers, have in the last two years become our competitors. That is our position now. To my mind, the best way of settling the issue would be to compete in the most efficient manner with those who were formerly among our best customers. Those countries have conquered markets we would like to have ourselves.

This afternoon I listened with sustained interest and attention to the remarks of the hon. member for Ottawa West (Mr. McIlraith). He painted a very dark picture of economic conditions supposedly prevailing in Canada.

In turn, I should like to show the other side of the picture and point out what is happening in particular in my own home town. I have here a copy of the *Southern Canada Power Review* for March 1961, on page 8 of which, under the heading "Industrial Development in the Eastern Townships in 1960", one can read:

> The following is a list of the industries established in the territory served by Southern Canada Power in 1960. There are 64 of them a number of which provide work for a hundred or more people. Also included in the list are the industries whose facilities were extended during the year.

Well, Mr. Chairman, I believe that expansion requires new industries. Businessmen must have faith in our future, in the leadership of the government and particularly that which the Minister of Trade and Commerce exercises within his own department. I see on page one—

Mr. Martin (Essex East): It is not probable that they are wrong.

Mr. Ricard: Is it possible that Mr. Crump is wrong?

Mr. Martin (Essex East): Possible, but hardly probable.

Mr. Ricard: On page 1 of the magazine, I see the following:

> Eberhard Faber in full expansion in Acton Vale.

And the president of that company said:

> The Eberhard Faber Company is happy to have contributed to the economic growth of the city and hopes to do much more in that connection with this modern and larger plant.

And here is the last paragraph:

> The Eberhard Faber Company believes that a growing market requires increased production. By taking in more employees now in Acton Vale, the company is showing that it has faith in the future of the Canadian economy.

In my own town of St. Hyacinthe, according to municipal statistics, 11 new industries have been established since the coming into power of the Conservative government. This has meant jobs for 413 workers. It is said that a worker in a plant provides a living for about four dependents; so, a simple calculation will show that a certain number of my fellow citizens rely on industries that have been established under the present administration.

I am at present undertaking a survey of the economic situation in St. Hyacinthe. I have sent to 200 merchants and manufacturers of that city a questionnaire in which I ask especially this: has there been any increase or decrease in your turnover in the last three years? Of the 51 answers I have received so far, 36 say that their turnover has increased by 2 to 25 per cent, while six report a decrease in their turnover. However, nine of the merchants I have contacted say that their turnover has remained unchanged.

I note here in an article from *Le Courrier* of St. Hyacinthe, for September 1, 1960, some figures that this paper has obtained from *Sales Management,* of New York. The article in question is headlined as follows:

Up to $30,109,000 spent in St. Hyacinthe in 1959.

This represents an increase of $2,929,000. Well, Mr. Chairman, that will be all for now, because I would not like to delay the adoption of the first item of the estimates of the Minister of Trade and Commerce. But before I resume my seat, I should like to pay tribute not only to the minister and his staff, but to all those who help him, Canadian businessmen, manufacturers, industrialists and workers who, in considering it their duty to face their obligations, are contributing to the development of Canada and displaying their confidence in the future of their country. *(Text):*

Mr. McIlraith: I should like to ask the minister one or two questions on one subject. It will be noted that the large wheat sale to China announced yesterday is to be paid for in sterling. I want to ask the minister first whether the acceptance of payment in a currency other than dollars indicates any change in policy as it affects exports other than this particular sale?

Mr. Hees: Mr. Chairman, I am advised that this is the first time we have accepted sterling. Sterling is fully convertible and therefore I can see no disadvantage in our accepting sterling in this case. In order to make this important transaction it was necessary for us to accept sterling and the government had no hesitation in doing so.

Mr. McIlraith: I was not questioning that part of it. I wanted to know whether it represented any change in policy beyond what was involved in the particular transaction because, as the minister knows, the practice was to have the purchaser convert the currency and pay in dollars. This has always been our practice up until this transaction, with the exception of one or two very special transactions immediately after the war.

Mr. Hees: The reason we did business in United States currency in the past is that most other currencies were not convertible. Now they are becoming fully convertible and I can see no disadvantage in doing business in those currencies.

Mr. McIlraith: I do not want to develop an argument as to how fully convertible currencies are. It would be a long, rather technical argument. But any sudden increased demand on any country's reserves of a particular currency does or may create a problem, and I want to know whether there is a change of policy as it affects exports other than this special wheat sale? I think it is clear from the minister's answer that there is not.

My second question is, are there any implications in accepting such a large amount of sterling in this transaction on the increased sale of our manufactured products in the sterling area, or any other implications that the minister sees in the fact that we have accepted such a large quantity of sterling in this one transaction?

Mr. Hees: I do not see any. There may be, but I do not see any.

Mr. McMillan: May I ask one question. I notice that the minister's predecessor had an economic adviser and a senior economist. Does the minister intend to get along without a senior economist and a senior economic adviser? Is there any economic report in the department?

Mr. Hees: I take it that the hon. member is speaking about Dr. Firestone. He has, as hon. members know, gone to the University of Ottawa. He is still on contract with the department. We have considerable use of his services.

Mr. Peters: I should like to make a few remarks. I have looked through the duties and responsibilities of this and other departments. I am not completely sure whether we are going to be talking about what is in the department or what should be, but I am interested in the matter of the development of secondary industry in certain areas of the country which have not that development, and will express some of the conclusions I have come to in this regard.

The minister said this afternoon that the small business bureau of the department has received some impetus in the last few months and that it is now growing greatly—

Mr. Hees: If I may correct that, the change was in the volume of small loans to business, which were introduced in the baby budget.

Mr. Peters: Of course, the major impetus to the development of small industry would be through loans. This has been the big change in the bureau itself, its function as a tool in developing business compared with its former practice of merely telling businesses how to look after themselves.

The problem that we are now facing in many parts of the country has to do with the vital need to change our economy from the development of primary industry to the

development of secondary industry, and we have no machinery or means to accomplish this end. Some people look to the small business bureau because it is in a position to give some encouragement to the development of certain types of secondary industries, but in the main it would seem to me that much more could be done to provide such an impetus by following the suggestion in the bill of a private member whereby money would be made available and assistance and even direction given in the redevelopment of certain areas and relocation of industry.

England has had this same type of problem. The problem simply is that in parts of Canada where we did have commerce and industry we no longer have these activities because the industries concerned have not been able to find the right markets or their resources have become depleted to the degree that it is no longer economic to operate them. I am particularly interested in the lumber and mining industries in my area, both of which reached and receded from their peak some years ago. Towns like Kirkland Lake are faced each year with a loss of another mine and the income derived from it. We regard with envy Toronto and some of the other major cities that are situated close to the markets for their products because while we are losing our resources these areas are overexpanding until it has become detrimental to many of the people who live there. It seems unrealistic to me that a person has to get up three or four hours before he is to start work and drive for two or three hours to get to his place of employment when we in other parts of the country have facilities very close at hand and would welcome plants that could be located almost in the backyard of the employees' residential areas.

It seems to me that we are going to have to do in Canada what has been done in other countries. I should like to refer to Great Britain as an example. I am told that recently when the Ford Motor Company asked for permission to expand in the location in which they were then situated they were told that they would be given a permit to expand but their expansion would have to take place in Liverpool because Liverpool had a surplus of labour and it was advantageous to have the new development carried out in that area.

I suggest that this is the type of development we need in Canada. There should be some leadership from the Department of Trade and Commerce in the establishing of secondary industry in those areas where there is now none and will not be unless there is government intervention, either through rendering assistance in the form of a subsidy or in the form of direction by telling a company that it cannot have a licence to establish a plant in a certain town because the government wants the company to establish it in another town. The company could be told that it would be given a licence and encouragement to establish in the other town. If this is done, we will be able to share the wealth, so to speak, much more evenly than at the present time.

I should like to use the example of the town of Matachewan in my riding. No doubt many members of the Conservative party were interested in the past in the stocks of mines such as Young Davidson, Matachewan Consolidated and other producing mines in that area. The town has four or five grocery stores, a couple of drug stores, a small hardware store, a police station, a fire brigade and two or three schools, but the facilities available are not now being used. The town does not even have the money to pay for caretakers for some of the public buildings. The town is bankrupt for the simple reason that there is no industry there.

It seems rather unreasonable that new factories should be allowed to locate in a high wage area such as Toronto where agricultural lands are being taken over for the building of homes. There are many reasons why that also should not take place, but people are living so far away from where they work that in some cases the situation is becoming ridiculous. Yet this is happening while at the same time a municipality such as Matachewan will provide free land for the establishment of industries and will make every reasonable concession, tax or otherwise, to get firms to establish factories there. There are many natural resources in the area of Matachewan that would lend themselves to the establishment of secondary industry. The authorities there will grant every reasonable consideration just to get an industry to establish there so that the people of the area will again be employed and will be able to maintain their community in a reasonable degree of prosperity.

I think it is not unreasonable to ask that the small business bureau of the Department of Trade and Commerce undertake such a program in conjunction with what it is now doing because in my opinion it is going to be vitally necessary. The junior member for Halifax, who is parliamentary secretary to the minister, has a somewhat similar situation in the area he represents. We continually hear complaints from the maritimes that they have a problem quite similar to the one to which I have referred in connection with

northern Ontario. As one of his colleagues has mentioned, assistance is going to have to be given.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the business is for tomorrow and the rest of the week?

Mr. Churchill: The objective is to complete the estimates of the Department of Trade and Commerce, those of the Department of Northern Affairs and National Resources which have been under consideration earlier and those of the Department of Fisheries during the course of this week. If we conclude earlier than six o'clock on Saturday, I am sure the house will be pleased to rise.

Mr. Chevrier: That is a good touch.

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

Questions

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of debates pursuant to standing order 39:

ST. JEAN, QUE.—BUSINESS ESTABLISHMENT R.C.A.F. BASE

Question No. 127—**Mr. Dupuis:**

1. Is there a business establishment on the Royal Canadian Air Force base at St. Jean, Quebec, operated by a person who is not a member of the Royal Canadian Air Force?
2. If so, where is such establishment located, and what is the name of the person in charge?
3. What kinds of goods are offered for sale by the said establishment?
4. Since what date has this business been carried on?
5. By whom was this merchant granted leave to occupy these government premises and to do business therein?
6. What rent has been asked for the said premises?
7. Were public tenders invited before renting the said premises?

Answer by: **Hon. D. S. Harkness (Minister of National Defence):**

1. Yes.

2. Building 124, Mr. Albert Vilandre.

3. Bottled soft drink dispensing service, automatic photo machine, ice cream bar vending machines, coin operated weight scales, cigarette vending machines, candy vending machines and a popcorn making machine.

4. August, 1955.

5. Concession authorized by memorandum of agreement between Her Majesty the Queen and Mr. Vilandre and the estate of the late Mr. Emile Hachez.

6. $93.75 per month payable to the Receiver General of Canada.

7. The present memorandum of agreement is a renewal of a previous agreement made in 1955. It was renewed in May 1960 due to the death of Mr. Hachez. Due to the time interval and changes of station personnel it cannot be determined if tenders were invited before the original agreement was negotiated.

C.N.R. LINE, FARNHAM, QUE.

Question No. 192—**Mr. Fisher:**

1. Does or did the Canadian National Railways have a rail line from Meigs in Farnham, P.Q., to the old station in Farnham which crossed Charbonneau street, Berard street, and Park avenue? If so, when was the line built, and at what cost?
2. What scheduled trains, if any, ran on the line?
3. Is the line still in use? If not, what disposal was made of it?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

The management of Canadian National Railways advise as follows:

1. The Canadian national has a line of railway from Meigs in Farnham to the old Farnham station. It used to cross Main, Charbonneau, Park avenue, Berard and St. Louis streets. It now crosses Main, St. Louis, Depot and Meigs streets. Original track was built 1858-1860, and was placed in operation in 1861. However, records are not available as to its original cost. It was originally known as Chambly, Shefford and Stanstead railroad. The original track was relocated and some track retirements were made to provide a new entrance to the Farnham station, which is the reason for the old and new street crossings.

2. There have been no major operational revisions within the past 10 years. Present schedule—Nos. 713 and 714—mixed train—daily except Sunday, runs from Granby to Farnham and return.

3. Line is still in use.

C.N.R. LAY-OFFS, SIOUX LOOKOUT

Question No. 194—**Mr. Fisher:**

1. Are there any plans to reduce the working force of the Canadian National Railways at Sioux Lookout through lay-offs in the next six weeks?
2. If so, how many men will be affected?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

The management of Canadian National Railways advise as follows:

1. No.
2. Not applicable.

COUNTY OF ESSEX—REQUESTS FOR DESIGNATION AS DOUBLE DEPRECIATION AREAS

Question No. 201—**Mr. Martin (Essex East):**

1. Has a request been received from the county of Essex, province of Ontario, to be designated as a double depreciation area?
2. If so, what action has been taken on the request?
3. Has a request been received from the city of Windsor, Ontario, to be designated as a double depreciation area?
4. If so, what action has been taken on this request?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. Yes.

2. A report on this application has been prepared and is under active consideration.

3. Yes.

4. A report on this application has been prepared and is under active consideration.

HOUSE OF COMMONS

Thursday, May 4, 1961

The house met at 11 a.m.

STANDING ORDERS

Tenth report of standing committee on standing orders—Miss Aitken.

CRIMINAL CODE

AMENDMENTS RESPECTING LENGTH OF RACE MEETINGS AND NUMBER OF RACES

Hon. J. A. MacLean (for the Minister of Agriculture) moved for leave to introduce Bill No. C-89 to amend the Criminal Code (race meetings).

Motion agreed to and bill read the first time.

INDUSTRY

AUTOMOBILES—INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Hon. Paul Martin (Essex East): May I, in addressing a question to the Prime Minister, presume it is a fact that he has received the report of Professor Bladen, the royal commissioner inquiring into the state of the automobile industry. If this is the case, in view of the importance of this report to the riding I represent in this house, may I ask the Prime Minister when we may expect that this report will be tabled?

Right Hon. J. G. Diefenbaker (Prime Minister): In due course, Mr. Speaker.

Mr. Martin (Essex East): I ask the Prime Minister to answer the first part of my question. Is it a fact that he has received the report?

Mr. Diefenbaker: The answer I gave indicated that I had.

[*Later:*]

Mr. Martin (Essex East): Mr. Speaker, now that the Prime Minister has indicated that he has the Bladen commission report, may I ask him whether it is the intention of the government to withhold this report from the house until after the Department of Trade and Commerce estimates have been passed? These estimates are now under discussion, and this report should now be before the house.

Mr. Diefenbaker: Mr. Speaker, the report of the Bladen royal commission has nothing to do with the Department of Trade and Commerce. I should consider that it is mainly concerned with fiscal matters and the like.

Mr. Martin (Essex East): Does the Prime Minister not realize that the automobile industry is a very—

Mr. Speaker: Order. Both the question and the answer are more in the nature of a debate as to the relevancy of this report, and not appropriate for the orders of the day.

Mr. Martin (Essex East): May I, on a point of order and with great respect, suggest that this is such a vital matter that a question of this kind should be dealt with. Surely I am entitled to ask the Prime Minister whether he does not think that this matter affecting the automobile industry is one involving a matter of trade as well as one of concern to the Department of Finance.

Mr. Speaker: The hon. member has asked the question and received an answer. In my view both the question and the answer were opinions and not questions of fact.

DRUGS

BARBITURATES—INQUIRY AS TO FEDERAL ACTION

On the orders of the day:

Mr. Theogene Ricard (St. Hyacinthe-Bagot): I wish to address a question to the Minister of National Health and Welfare. Is the hon. gentleman yet in a position to advise the house what action is planned to meet the growing problem of goof balls?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I have been investigating this situation for some months in co-operation with my colleague the Minister of Justice. As I advised the hon. member for Outremont-St. Jean, an interdepartmental committee was formed to assess the various courses of action open to us, and I hope to present appropriate amendments to the Food and Drugs Act to the house very soon.

PROPOSED LIMITATION OF PRODUCTION OF NARCOTICS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question

to the Minister of National Health and Welfare, of which I gave notice. Is the minister in a position to inform the house whether there will be any early ratification by Canada of the new narcotics treaty agreed upon by the 108 nations represented at the recent narcotics conference called by the world health organization at the United Nations, in which Canada played such a prominent part?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, a formal copy of the single convention on this subject was received from the United Nations only within the past few days. The contents are now being reviewed with regard to possible ratification by Canada, a course that I feel sure will be followed.

PRODUCTIVITY COUNCIL

INQUIRY AS TO UNION REPRESENTATION

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. I should like to ask the minister whether any consideration is being given to the inclusion of representatives of the major industrial unions on the productivity council.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I am afraid I could not understand the hon. member's question and would ask that he repeat it, or suggest that I could take it as notice and provide an answer tomorrow.

Mr. Badanai: I should like to ask the minister whether any consideration is being given to the inclusion of representatives of the major industrial unions on the productivity council.

Mr. Hees: Yes, Mr. Speaker. They are represented by Mr. Jodoin, the head of the Canadian Labour Congress and others.

UNEMPLOYMENT INSURANCE

REPORTED DENIAL OF DAY'S BENEFITS TO UNEMPLOYED DELEGATION

On the orders of the day:

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, I should like to direct a question to the Minister of Labour. Has the minister received information to the effect that notwithstanding his assurance given to members of the unemployed delegation who visited Ottawa ten days ago, they have been deprived of their unemployment insurance benefits for the day of that visit?

Hon. Michael Starr (Minister of Labour): Yes, Mr. Speaker, and I have turned the correspondence over to the unemployment insurance commission in an attempt to discover whether there is anything in the act which will enable us to settle this matter satisfactorily.

Miss LaMarsh: I should like to ask a supplementary question, Mr. Speaker. Will the minister assure the house that those individuals who have already been deprived of the day's benefits will have those benefits reinstated?

Mr. Starr: I cannot give that assurance until I receive a report from the unemployment insurance commission.

THE SENATE

INQUIRY AS TO POSSIBLE REFORM

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I should like to direct a question to the Prime Minister. Following a press report which appeared in the Montreal *Star* to the effect that upper house reforms are expected soon in the United Kingdom, is the Prime Minister in a position to say whether similar reforms can be expected here?

Mr. Speaker: The hon. member is perhaps not asking a question of great urgency in view of the history of the subject. In any event, I think he is asking for a declaration of policy. I do not wish to prevent the Prime Minister from answering, but in my view that is not a proper question for orders of the day.

Mr. Deschatelets: Mr. Speaker, on the point of order you have raised, I suggest that this is one promise made three years ago.

Mr. Speaker: That fact does not support the hon. member's case.

Mr. Pickersgill: On the point of order raised by the hon. member for Maisonneuve-Rosemont, this did seem to be a matter of urgency in 1957, and four years have now passed.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not want to answer the question, but the hon. gentleman raised a point of order and I might say that I recall very well the election of 1925 when Mr. Mackenzie King stated that if he was returned to power the Senate would be reformed immediately.

(Translation):

EXTERNAL AFFAIRS

CUBA—INQUIRY AS TO SAFETY OF CANADIAN MISSIONARIES

On the orders of the day:

Mr. Gerard Loiselle (St. Ann): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs. Could he

inform the house as to whether the government has taken measures to ensure the safety of Canadian missionaries in Cuba?

(Text):

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I dealt with this question briefly yesterday. Since then we have received no further report, but our embassy in Havana will certainly do anything it can to protect those Canadians.

Hon. Paul Martin (Essex East): Does the government intend to make any protest against the statement made by Premier Castro with regard to priests and others in Cuba, including Canadian priests, to whom he referred as scoundrels? Surely this country should protest to the Cuban government, whose members were referred to by the Minister of Trade and Commerce as good fellows.

Mr. Green: As I pointed out yesterday to the hon. member for Essex East, it is my belief that the statement made by Premier Castro referred to the Spanish born clergy. Certainly there is not very much point in stirring up a lot of trouble if that is the case. When we know the actual situation we shall certainly take the appropriate measures.

Mr. Martin (Essex East): Those, too, are not scoundrels.

LAOS—INQUIRY AS TO CURRENT SITUATION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Secretary of State for External Affairs whether he can confirm the report that there has been a cease fire arranged in the Laotian matter. Is it a fact that the truce commission on which Canada is represented is now moving from Delhi? Perhaps the minister could also say whether the truce commission will exercise any powers other than that of determining whether there has been a cease fire.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the cease fire in Laos does appear to have become effective. As yet there have been no instructions from the two co-chairmen of the Geneva conference, namely the United Kingdom and the Soviet union, to the supervisory commission authorizing them to proceed to Laos. I am not yet in a position, either, to say what additional responsibilities will be placed on the shoulders of the members of the truce commission.

Inquiries of the Ministry

LABOUR CONDITIONS

PICTOU, N.S.—REQUEST FOR PROVISION OF WORK FOR SHIPYARD

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to address a question to the Prime Minister, arising out of a serious unemployment situation in Pictou, Nova Scotia. In view of a recent letter from Mr. MacPhail, secretary of local 4702 of the united steel workers of America, addressed to the Prime Minister and dated April 24, pointing out existing unemployment in the shipyard of Ferguson Industries Limited, can the Prime Minister use his good offices to obtain a refit or a conversion for the Pictou shipyard, as requested in the letter?

Hon. Raymond O'Hurley (Minister of Defence Production): As the distribution of refits and repairs comes under the Minister of Defence Production, I am looking into the matter to see what can be done for Ferguson Industries.

Mr. Argue: Will the minister give a report to the house after he has made his inquiry?

Mr. O'Hurley: Mr. Speaker, when I have a report from my shipbuilding branch as to the work going on at the present time at Ferguson Industries Limited and on what can be done at Ferguson's, I shall certainly report to the house.

PROPOSED JOINT CANADA-U.S. ORGANIZATION TO SOLVE UNEMPLOYMENT

On the orders of the day:

Mr. Gerard Loiselle (St. Ann): I should like to direct a question to the Minister of Labour. Does the minister have a reply to my question of April 27 concerning the formation of a joint committee between Canada and the United States to find solutions to the unemployment problem?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the hon. member for St. Ann asked his question the other day while I was not in the house. It had to do with a press report that a joint organization had been set up by Canada and the United States to deal with unemployment. At the outset I wish to say that no formal organization of any kind was set up. Informal discussions took place while I was in Washington, and further exchanges of information have been provided for in the future.

Inquiries of the Ministry

(Translation):

PUBLIC SERVICE

ROYAL COMMISSION—INQUIRY AS TO FRENCH SPEAKING MEMBER

On the orders of the day:

Mr. H. Pit Lessard (St. Henry): Mr. Speaker, I should like to put a question to the Secretary of State. Is he aware that there is no French speaking representative on the advisory committee of the Glassco commission? If so, will be the Secretary of State see that this situation is corrected?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I read in this morning's paper the report mentioned by the hon. member. First of all, I must tell him that Mr. Therien is the French speaking representative on the Glassco commission. I understand, however, that the hon. member refers to a sub-committee. I shall make inquiries, therefore, and provide an answer for my hon. friend as soon as I get the required information.

(Text):

PUBLIC WORKS

PORT RENFREW, B.C.—REQUEST FOR CONSTRUCTION OF BREAKWATER

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to address a question to the Minister of Public Works, of which I have given notice. Is the minister in a position to reply to the urgent submission sent him from various organizations emphasizing the need for immediate consideration and action on the construction of a breakwater at Port Renfrew, San Juan bay, on Vancouver island?

Hon. D. J. Walker (Minister of Public Works): I have been urged to construct a breakwater at Port Renfrew, San Juan bay, on Vancouver island, in conferences with Mr. George Chatterton who is, I believe, the reeve of Saanich. Within the past few days his representations have been supported by a brief signed by several organizations, and I want to assure you, Mr. Speaker, that careful consideration is being given to this matter. Government engineers are engaged in arriving at a decision on the facts, and in due course I will be very happy to inform the house.

IMMIGRATION

INQUIRY AS TO BORDER CROSSINGS BY UNDESIRABLE PERSONS

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the parliamentary secretary to the Minister of Citizenship and Immigration. Will the parliamentary secretary advise the house whether the department has taken any steps to restrict the wanderings of race track touts, hoodlums, bookmakers, con men and other undesirables across the Canada-United States border?

Mr. John Charlton (Parliamentary Secretary to the Minister of Citizenship and Immigration): I will take notice of the hon. member's question.

COMBINES

DRUGS—INQUIRY AS TO HOLDING OF PUBLIC HEARING

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on April 28 I asked the following question in the absence of the Minister of Justice:

> In view of the news reports that the combines branch of the Department of Justice has just completed a report on an inquiry into Canadian drug prices which indicates that Canada's drug prices are the highest in the world, and in view of the great interest in and importance of this matter, does the restrictive trade practices commission intend to hold public hearings on this question in the near future?

The Solicitor General replied that he would take the question as notice and bring it to the attention of the Minister of Justice. Has the Minister of Justice considered this question, and can he give us a reply?

Hon. E. D. Fulton (Minister of Justice): Yes, Mr. Speaker. I think the hon. gentleman will find that his question was covered fairly completely in the reply I gave to an oral question yesterday dealing with the same matter. The decision whether or not to hold public hearings is entirely one for the chairman of the restrictive trade practices commission. The act specifically provides that he and he alone determines whether hearings will be public, and so far he has given no indication that he intends to hold public hearings.

TELEVISION

SASKATOON—RECOMMENDATION OF BOARD OF GOVERNORS RESPECTING LOCATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Acting Minister of Transport to convey to the Minister of Transport a request for an answer at the earliest possible time to the question about the Kindersley satellite station for television purposes, to which question the minister had planned to give an answer on

Tuesday and was unable to reply, I believe, because he was not in the house at the time.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I am advised by those around me that the minister gave the answer to that question yesterday.

Mr. Pickersgill: I thank the minister very much. I glanced hastily through *Hansard* and did not see it. I am sorry to have taken up the time of the house needlessly.

SUPPLY

The house in committee of supply, Mr. Flynn in the chair.

DEPARTMENT OF TRADE AND COMMERCE

General administration—

394. Departmental administration, including fees for membership in the international organizations listed in the details of the estimates (also includes the national industrial design council transferred from the national gallery), $3,275,445.

The Chairman: This item will be found at page 74 of the blue book, the details at page 507.

Mr. Argue: Mr. Chairman, I have a question to put to the minister. I have been absent from Ottawa for a few days, but I read the minister's initial statement to the committee. Anything that has been done to increase Canadian exports to other countries is most welcome. My remarks are related to the field of industrial as well as agricultural products.

The contracts for the sale of Canadian products abroad, whether grain sales through the Canadian wheat board or sales of steel produced in Canadian mills, are contracts signed by the agencies involved. The minister's department, through the trade commissioners, has taken a very active interest in promoting Canadian trade and exports of all kinds. I should like from the minister an indication of what is involved in a general sense in trade commissioners promoting the sale of Canadian products. If it is possible for him to do so I should like the minister to inform the committee what part the trade commissioners play in the sale of grain, and whether any part was played by the commissioners in the preliminary stages preceding the signing of the grain agreement recently negotiated with China.

Mr. Hees: Yes, Mr. Chairman, I shall be glad to answer that question. In many cases our trade commissioners make the initial contacts for Canadian firms which are anxious to sell in foreign markets. The trade commissioners give Canadian firms preliminary information regarding freight rates, tariffs and information concerning other pertinent matters before a deal is consummated. If necessary the trade commissioners act as interpreters between the Canadian businessman and the foreign customer. As I said yesterday in committee, the trade commissioners do everything except actually sign the deal. They may be compared with a catalyst in a chemical reaction which does everything except actually make the reaction.

Regarding sales of wheat, to which the hon. member for Assiniboia has referred, our trade commissioners are very active in the preliminary contacts with the government agencies of the foreign governments concerned. They act on behalf of the wheat board in the same way they do on behalf of Canadian business companies. In the case of the recent deal signed with China, our trade commissioners were very active indeed in making the initial contact and helping line up the deal.

Mr. Argue: Mr. Chairman, I very much appreciate getting that information from the minister, because it means that the specific details of any contract, whether it be entered into by a private company or by the Canadian wheat board, are signed by the company involved. But as the minister himself said, the trade commissioners, as I would think they should, do everything in the promotion of these sales except sign on the dotted line.

I was very much interested in the statement about the sale of additional grain to China. The minister has at this time referred to the role his department played in this contract, as well as having referred to it on April 28. With regard to this sale of Canadian grain, as with a private sale if it should have been a private sale by any company, I wish to make it clear that we are in favour of this kind of increased trade in non-military products, no matter what the political complexion of the government involved.

If we are to hope that in the future these governments which are so much different than ours may come closer to the road to freedom, the way to encourage this, in our judgment, is to undertake this kind of agreement and negotiate a trade in non-strategic materials. We are happy that this is done with China, with Cuba or any other country, even though we may object very violently to the particular form of government in those countries.

A great deal has been said about this grain deal which was announced in the house on May 2. I read the reports in the western newspapers. I do not think any transaction has been undertaken in the field of trade which has been given more widespread or

more favourable publicity than this particular transaction. I read all the reports I was able to find in all the different newspapers. I read that it was a sale of 186 million bushels of wheat and 46 million bushels of barley; that the sale was worth $362 million, and it would take place between June 1 this year and December, 1963. In my comments I was just as much in favour of it as any hon. member in this house. The president of the Saskatchewan wheat pool went so far as to say that this solved the grain problem for the farmers; that this would mean that the surplus of grain would be moved off the farms.

I was astounded to read the provisions of this agreement when I went over them in *Hansard* as set forth by the minister. I have never seen an instance in my experience in the house—and I think other members of parliament will agree—when the press gallery failed to see a joker in an announcement; and there is a big joker in this announcement.

Some hon. Members: Oh, oh.

Mr. Argue: This is a firm agreement for the sale of 28 million bushels of wheat, 17 million bushels of barley and 1.5 million bushels transferred or related into flour. After that there is no firm agreement. There is certainly no firm agreement on behalf of China or the China Resources Company. As far as the future is concerned, these are the minister's words:

> Each future contract will be negotiated in respect to price and quantity.

I put it to the Minister of Trade and Commerce that there is no guarantee, in this agreement which has been announced, for sales beyond the 28 million bushels of wheat. This is not what it has been dressed up to mean, a firm sale within a period from now to December, 1963, of these huge quantities of grain. I think in making the announcement the minister was really putting his public relations people to work, because they have blown up and exaggerated this agreement almost beyond recognition.

There is something firm in the agreement. It is firm, as I understand it. I should like to read the agreement; I think it should be produced.

An hon. Member: What good will that do you?

Mr. Argue: As I read the statement there is something firm in it. I will read the minister's words:

> We have committed ourselves to provide up to six million tons of barley, wheat and flour.

That is the main agreement. Canada has been committed to provide but China is not committed to purchase that quantity, to say nothing about the price. We had an experience in the uranium industry. Letters of intent were exchanged which seemed pretty firm. There is nothing nearly as firm in this agreement. I cannot see, from reading this agreement anything as firm as there was in the uranium deal. The uranium deal is not too firm at the moment, but it was certainly much firmer to begin with than this agreement.

Mr. Horner (Acadia): This sounds like sour grapes.

Mr. Argue: I am just telling the truth, and these are the facts.

Mr. Horner (Acadia): It is your truth.

Mr. Argue: I put it to the minister that all that has been done in this agreement is that Canada agrees to keep the grain available, and China may or may not buy it. This is a storage policy for 158 million bushels, because 28 million bushels are being sold. This will provide for the storage within Canada of 158 million bushels of wheat earmarked for China, available to China, but of which China does not undertake to take delivery.

Mr. Horner (Acadia): That is a shocking line of reasoning for a Saskatchewan member of parliament.

Mr. Argue: Never mind the line; these happen to be the facts. These facts have not been in the newspapers. These facts were not made very clear in the house. The hon. member for Acadia does not think of the facts.

Mr. Horner (Acadia): They were announced in the house and I heard them. You didn't; you were not even here.

Mr. Argue: An announcement was made in the house and there was a press conference held afterward. Every newspaper says, "Terrific. We have made a deal for $362 million worth of grain". No such deal was made, none whatsoever.

Mr. Horner (Acadia): Strictly sour grapes.

Mr. Argue: Mr. Chairman, I have the floor—

The Chairman: Order.

Mr. Argue: Mr. Chairman, the Minister of Trade and Commerce may point out where I am in error, if he can. I challenge him to do it. I say the only thing which is firm in this agreement is that Canada undertakes to keep the grain in storage, available to China, but China does not agree to buy it. This is the flimsiest kind of transaction I have ever heard of. We used to have a wheat agreement with Britain. It was firm as to quantity; it was firm as to minimum price—

Mr. Horner (Acadia): We lost $600 million on it.

Mr. Argue: Yes, sure; but we had these clauses in the agreement. There is nothing in this agreement even as firm as there was in that one.

Mr. Horner (Acadia): Look at the—

Mr. Argue: Mr. Chairman, I have the floor. My friend can make a speech when I sit down, and I will be very interested to hear it.

The Chairman: Order. I ask hon. members to allow the hon. member who has the floor to express his views.

Mr. Argue: I can understand the sensitivity of hon. members, because even the president of the Saskatchewan wheat pool thinks this is going to take all the grain off the farms and sweep all the granaries clean—

Mr. Horner (Acadia): You are afraid it will.

Mr. Argue: —and he has been sold a bill of goods. I hope the granaries are swept clean from sales, and not because of drought.

Mr. Pascoe: Can I ask the speaker a question?

Mr. Argue: I would love it.

Mr Pascoe: Is the hon. member for Assiniboia attacking this agreement on behalf of the New party or personally?

Mr. Argue: That is what you get from members on the opposite side. No contribution to the debate, no statement—

Mr. Drysdale: And no answer.

Mr. Argue: We should like to hear from the minister on behalf of the government whether or not $362 million worth of Canadian grain will be sold, and I say there is no such assurance and no such agreement. In the past this government has turned down an opportunity to sell on a contract basis, on a loan and partial cash basis, any part of 586 million bushels of grain, an opportunity which was picked up by the United States and the grain provided by the United States. I am in favour of selling to communist China; I have made that clear, but I do not think we have to lean over backward in a one-sided deal. We shall keep it in storage. We shall keep it available. The farmers will have the cost of storing it on the farms; the national treasury will have the cost of storing another part of it under the storage program. China may or may not buy, but we shall keep it available.

This is the most one-sided agreement I have ever seen. I have been making inquiries, and I am confident that China has not agreed in a firm manner to buy a single bushel of wheat beyond the 28 million bushels to be delivered between June 1 and November 30. We have agreed that if China wants the wheat we shall have it. We may have it, all right.

Mr. Muir (Lisgar): I should like to ask the hon. member whether he is against this deal that we have completed with China.

Mr. Argue: I have made my position clear. I am against this thing being blown up as a firm agreement when it is no such thing. I am against false publicity, and I am against the farmers of western Canada being shown what could turn out to be a hoax unless the Minister of Trade and Commerce—and he is the minister who can do it—assures us that communist China will buy this quantity of grain and that Canada is prepared to sell it no matter what price communist China may offer and will pay. I am suggesting that this is just another of those areas where this government is operating by hiring public relations people to put something in the best possible light from the standpoint of the government, but not necessarily very close to the hard facts and the substance of what is involved.

Let us be perfectly clear about this. This is no firm transaction for the sale of 186 million bushels of wheat. This is just what it is not. This is a firm transaction for 28 million bushels of wheat. Beyond that China commits herself to nothing. The Canadian government says it has a storage plan under which we shall have the balance of 158 million bushels available if China should decide to buy it on the basis of future contracts, when both price and quantity will be under negotiation.

Mr. Johnson: Now that the hon. member for Assiniboia has completed his comments I believe the committee will not mind if I take this opportunity, the first I have, to congratulate the new Minister of Trade and Commerce.

(Translation):

Mr. Chairman, I have always admired the former minister of transport. I hope you will not mind if I take this opportunity to congratulate him although the minister is a veteran of the cabinet on his appointment as Minister of Trade and Commerce.

In the last few months, it has been repeatedly said that the province of Quebec is on the go. If the province of Quebec is on the go and if the rest of the country is on the go, the Minister of Trade and Commerce (Mr. Hees) can claim part of the credit for it, because it is due to his efforts and his marvellous talent for organization.

Instead of indulging in pointless and groundless criticism of the type we have just

heard a few moments ago from the hon. member for Assiniboia (Mr. Argue), I shall just take a few seconds of the time of the house to place before the Minister of Trade and Commerce a suggestion which has repeatedly been made to me by experts in commission sales.

It has been suggested to me repeatedly by experienced salesmen that I ask the government to try hiring people to sell on a commission basis on behalf of Canada in our trade commissioner service abroad. I think such a move would produce practical results, because there would be an incentive for such agents to sell more.

I know things are not done that way under the present system, but perhaps amendments might be made to the legal foundations of the department before hiring such salesmen to represent Canada abroad, whether they be paid on a commission basis by the companies doing the business, or by the government.

In any event, even if it required amendments to the Civil Service Act and to the government's hiring practices, I think it would yield practical results.

I therefore place this suggestion before the minister, and I leave it to the Department of Trade and Commerce to organize such a system and put it into operation. I do think the idea has merit and that it should gain acceptance or at least be thoroughly examined by the Department of Trade and Commerce.

(Text):

Mr. Macdonnell: I have a few brief remarks which I intend to make at this time. It is a mere platitude to say how important trade is to our country, both externally and internally. We have been listening to comments on one important incident of trade. Another aspect we should not overlook is not merely material aspect but the extent to which it indicates that interdependence which, I suppose, is the best hope we have of peace. We ought to welcome it in every way and in every place we can find it.

I suppose when we look back to the nineteenth century it is clear that the peacefulness which, in the main, characterized that century was largely due to the influence of Britain and, most of all, to Britain's free trade policy, which one might say spanned the world and did so much to make people live happily together. Since then we have had a half century which in some ways seems almost like a mad period. We have encountered difficulties in the sphere of trade and elsewhere which call for new qualities, qualities which perhaps we have never had to show before except in time of war.

I should like to read a sentence or two from that great public servant, as I regard him, Adlai Stevenson, who seems not only to think clearly about these matters but to have a wonderful gift for expressing himself:

> What lies ahead of us in this bewildering century is invisible but it may be even more significant. In the past the north Atlantic nations dominated the world. But they could not control themselves, and after their great world wars the power and influence of Europe declined; Russia and the United States suddenly emerged as the two dominant powers. Already the brief day of two power domination is passing and new centres of power are rising from old ashes in Asia.

Let me repeat these important words:

> —new centres of power are rising from old ashes in Asia.

This is something we should all be taking most seriously. He goes on to say:

> By the end of the century China and India will be industrialized, and China's population will be close to a billion.

Then he says:

> To guide us through these uncharted seas, to comprehend and direct prodigious forces now shaping the new world, is going to make heavy demands on our resources of wisdom, leadership, self-discipline and magnanimity.

Let me call your attention again to these words:

> —wisdom, leadership, self-discipline and magnanimity.

Let me now come closer home and use words which should come directly to the mind of each of us, because they come from a man of ability in private industry who has been drafted into public service in an important capacity. I refer to Mr. George de Young, chairman of the productivity council. He used words which I found a bit startling but which no one should disregard. He said:

> Passive confidence—

Note the word "passive".

> Passive confidence in our now disproved technological and economical superiority, and continued factional and segmental rivalry have resulted in Canada's economy no longer being able to provide work for all its own people through private enterprise.

Mr. de Young has been on a mission to the European economic community, and he has the following to say about that:

> The mission concluded that government, business and labour in Canada must immediately adjust to this vital new economic area, check rising costs here, and achieve maximum utilization of resources, skills and manpower.

Our own Minister of Trade and Commerce has been speaking plainly to us about this. He used an illustration in regard to our own performance here which I found interesting, coming from him. He said we had gone soft, and compared us to a boxer who had gone soft. The Minister of Trade and Commerce

was once a boxer himself and I would rather he boxed with other individuals than me, because in his day he was a formidable individual at a strange place called Cambridge. The minister has talked plainly when he has spoken and has not pulled any punches in telling us what we need to do.

The same can be said of his deputy, who was speaking the other day in Montreal when he used words which I wish to read. He said this:

> —problems and challenges in the economic and trade field, which stand in the doorway to our future. We must be concerned with these challenges today, for the future is tomorrow, and it is in the future that we, and our children, will be spending the rest of our lives.

Then he had this to say:

> I am sure none of you are under any illusions about the difficulties and frustrations which face us. The economies of western Europe and Asia have been rebuilt.

I repeat the word "rebuilt". He went on to say:

> We are confronted with bitter competition from many countries equally as hungry as we are, for a bigger share of world markets. Goods from the United Kingdom, West Germany, Italy, Belgium, the Netherlands and Japan, for example, are competing with our own in foreign markets and even in our own back yard. These goods, produced in new factories equipped with the most modern machinery and by highly skilled workers, whose wage rates are lower than those in Canada, are of excellent quality and design. In many cases they are lower in price.

The Department of Trade and Commerce has done much. I believe that the conference held here late last autumn accomplished a great deal, first of all in stimulating and encouraging our own trade commissioners and, second, by stimulating and directing the efforts of our exporters. The problem of unemployment is still serious, but there is no mystery about it; none whatever. We had a boom; some people say it began in 1935 and some say it began in 1940, but at any rate it lasted until after the middle of the 1950's. Then it flattened out a bit, but it has not turned into a depression. We are still doing well, as was reported in the Winnipeg *Free Press* some months ago. That article referred to a curious situation where we had substantial unemployment in the midst of prosperity.

This is a strange new phenomenon. I think the reasons for it are perfectly clear. At the time the boom flattened out a bit, competition from abroad increased enormously. Western European nations, as we know, were given a flying start, which really gave business a fresh start under the Marshall plan. The workmen there realized that their own hard work would produce benefit for themselves, and I think perhaps they have that sense more strongly than we in this country have. At the same time other things happened, such as automation. Further, many individuals were leaving farms because one man on a farm could grow many times that which could be grown before. We had all these influences occurring at the same time.

I think everyone will agree that at the present time what we need more than anything else is increased world trade. I was very interested in speaking with an acute observer a few weeks ago who made an interesting remark about our own country, looking back over 60 years. He pointed out that in the early years of this century our economy was sparked by a railway boom. After that we had the motor car industry boom, which this man described as being now in what he called a state of high level stagnation. He next pointed out that we then had the chemical industry boom, followed by an electronic industry boom and, one might add, the boom resulting from two wars. This man went on to say that he thought the next economic impulse in our country must come from raising economic conditions in underdeveloped countries.

This is the subject I want to speak about now. I have done so before, and as long as Mr. Speaker will allow me and while there is breath in me I will continue to do so, because I believe this is the most important thing which faces us now. I think we are not alive to it. I do not flatter myself that my words are going to change the minds of the people, but I should hope that the press would take more interest in it. A few of the better newspapers have done so already, but I think this subject should appear in every newspaper. However, this is just my own opinion.

I would like to refer now to the experience we had 15 years ago, in 1946, when we made a loan of $1,250 million to Great Britain. I would like to refer to what was said at that time by the then minister in his speech introducing this subject. He said that this loan would be just as much in our own interests as in the interests of the people to whom it was being made. As a matter of fact, that advance to the people of Britain in 1946 was followed by the purchase of hundreds of millions of dollars of our exports and was of great assistance to us in those years after the war.

I would like to make a point now that I have made here before, because it seems to me to illustrate the trade advantage derived from this kind of thing. That is, trade is aid, or aid is trade, whichever way you like to put it. Some years ago when we made a gift —I am not talking about gifts now but about loans—under the Colombo plan of some $35

million, 95 per cent was in the form of manufactured goods, which represented Canadian employment. We did not ship barrels of dollars over to India.

We now have a new impulse from President Kennedy. His views may not rank quite as high today as they did a month ago, but after all, any man can make a mistake and recover from it. Anyone who has read his statement to congress will agree that it was a great document indeed and showed a constructive attitude. One of the great things he did was to point out that if aid to those countries is going to be effective it must be done not year by year but based on several years—he suggested five—so it can be used in a planned way.

Then I come to that great paper we all respect, the London *Economist*. It is a very conservative paper, and I mean conservative with a small "c". I think it is full of realism and experience. I was very interested in what it had to say about assistance. It made one or two very practical suggestions. It referred to the meeting of the development assistance group which took place in London about a month ago. This is what it said:

> What the Americans would like each of their allies to do is to commit itself to give definite amounts of assistance, and to co-ordinate individual national programs in some international new deal designed to capture the imagination of the world.

That, of course, is what is necessary. Next, the *Economist* speaks of the dramatic effect which would be caused if a lead were given in Europe. Then it adds this:

> Now, in short, is the historic opportunity for Mr. Macmillan to make a speech that could launch a whole new conception of international economic relations, and for people here to start thinking about the best form that a world aid scheme could take.

I have no time to deal with the details of what the *Economist* said, but I want to draw attention to one thing which I think is very practical. What they have in mind is a loan for five years at a time. They point out that the contributions would not have to be made from tax appropriations immediately. They say:

> The strain that these contributions would impose would then fall upon the contributing countries only as they were used—mainly—

And note this:

> —mainly in order to buy their capital equipment or the services of some of their technicians.

In other words the loan would be spent at home. Then the *Economist* remarks shrewdly enough:

> This "strain" would thus show itself at first in the form of a recorded increase in the donor country's export surplus, which is not the sort of strain that usually causes great difficulties.

They are saying the same thing that I said a moment ago about our Colombo plan contribution, namely that it represented Canadian employment. The *Economist* also suggests that the international monetary fund could assist in the problem of foreign exchange which will arise. I hope to go into that matter again later this session, indeed to bring it up again when I have the chance, but I quote the *Economist* as a witness of proven experience, of common sense and realism. Its comments should indicate that this is not pie in the sky but is common sense and good business.

I have already referred the committee to our own experience in 1946 when the minister of finance, in speaking on this billion and a quarter dollar credit, said:

> The need for a credit of this magnitude and on these terms springs not only from the effects of the war upon Britain, but also from the vital importance to Canada of the re-establishment, expansion and continued development of foreign trade.

That is what we did in 1946. It succeeded then and there is no reason why it cannot succeed today.

I am not going to take up too much of the time of the committee, but I do want to refer to the great world figures who have studied this matter, who are giving their lives to it and whose opinions I believe are more valuable than any other opinions we can get. I refer to Hoffman, Black and Adlai Stevenson. I prescribe for hon. members a course of reading of some of the things they have written. Until we have read what they have to say I suggest we are not in any position to make up our minds. I have a pamphlet by Adlai Stevenson which I think is one of the most important bits of reading I have done. I am going to see whether I can get our mechanical staff to make some copies, and if I can I am going to take the liberty of putting them in the post office boxes of hon. members.

Again, without giving figures, I want to remind the committee of what I said before. Paul Hoffman gives astronomical figures as to what will be done in the way of foreign trade if we raise the buying power of the underdeveloped countries, those hundreds of millions of people who go to bed hungry every night. Do not let us forget that if we raised their purchasing power, that is the per capita income, by even a dollar a year over the next 10 years the results would be astronomical.

I should like to refer to another matter with which I was greatly struck in reading the Prime Minister's speech at the United Nations last September, a speech which caused such world-wide interest. At that

time he had a good deal to say about the new states coming into existence. He said:

> Since the war 14 colonies and territories comprising half a billion people have achieved complete freedom within the commonwealth.

I learned also that France had also given independence to 14 colonies. But this political independence is going to be a barren and negative thing unless economic independence goes with it. We have this whole flock of new countries which are now aware of their miserable conditions. I noticed the other day that a far eastern statesman was in the United States. He was talking to the big producers of radio and television in Hollywood. He accused them of being revolutionaries, because he said that for the first time these producers in Hollywood had made clear to the people of the underdeveloped countries the terrible plight they were in, although it is hard to believe it is true that they had not realized it before.

I think it is fair to consider the urgent need from the point of view of the underdeveloped countries in the commonwealth. I talked about India before. I shall not take the time of the committee now, but I do want to say this. Serious, competent people who have come back from India after months of study have said that she is entitled to assistance on economic grounds. Some of them are bankers. Three, including Sir Oliver Franks, head of one of the big British banks, representing leading world banks, came back from India and said she was entitled to assistance. Others have done so as well, including those I have mentioned.

I am not going to take more time. I make no apologies for bringing this up again. I believe it is something that we should all be interested in. I believe it to be in our own interest, just as it proved to be in 1946. Plans made then paid off abundantly. For that reason I put it in this way. I am not able to believe, and I do not find men whose opinions I value most saying, that there are any clear indications that we shall be able to deal with the problem of unemployment unless by a substantial increase in the mass of world trade. I find scarcely anyone who disagrees with this. Also, what I read from the deputy minister makes it very clear that the difficult competition we face from the western European nations makes our problem that much greater. The minister made this clear also. The western European nations have come back in a big way with what I call a flying start. Of course people are entitled to reach their own conclusions, but the stock market at the present time seems to believe that things are on the uptrend; it has a hunch that everything is going to be all right. People are busy climbing on the bandwagon. This seems to me to indicate there is every reason to believe that it is in our own interest—I do not think the minister will disagree with this for a minute; indeed, I am sure he has said it—to insist on an increase in world trade.

I pause on the moral argument. If we had those miserable people living within our sight we could not stand it, of course. Being compassionate people we would act on that basis. I am not going to deal with that today, or with the political side.

Of course from the political side we should be deeply concerned. We should be deeply concerned about helping these people so that they can work out their economic salvation by the institutions of freedom and not by the institutions of totalitarianism.

One only needs to pause a moment to realize how much that means to us. I have quoted before in the house from the book by Chester Bowles, one-time ambassador to India, his reference to a conversation he had with an Indian statesman who said to him, "You people, whether or not you like it, are in competition with the communists. First of all, you are in competition because we are going to ask whether you are making more rapid economic progress than they are. Second, you are in competition because we are going to compare the help we get from them with the help we get from you." We cannot overlook that for one moment. The same man said to Bowles, "Of course, if India goes the whole of southeast Asia goes".

I leave this with the house and I ask hon. members to consider it. I shall try to place the speech by Stevenson in hon. members' hands, and I would beg hon. members to read it. I do not believe anyone who reads it will fail to be impressed with the urgency and the importance of reaching the right decision on this question.

Mr. Pickersgill: Mr. Chairman, I have been very much moved by the remarks we have just listened to by the hon. member for Greenwood in what was a truly Liberal speech. I would remind the hon. gentleman that in times past he has talked about strengthening the opposition in the house, and I assure him that if he feels he can contribute to the strengthening of the opposition there is always a light in the window for him on this side of the house.

Indeed, it might be a very useful thing for the hon. member to be associated with those who originated the policies he commended so highly today. I thank him for his commendation of the courageous things that were done by Mr. Mackenzie King, Mr. Ilsley and Mr. St. Laurent in 1946, because it did take courage at that time. The loan to Britain and

the other loans that were made at that time were not made with the unanimous approval of everyone in the country. It was a policy that required courage and fortitude, a policy that was attacked in certain parts of this country, particularly, I regret to have to recall, by the friends of the hon. gentleman in one part of the country under the slogan, "Les Libéraux donnent aux étrangers, Duplessis donne à sa province".

Notwithstanding that kind of appeal, the majority of the Canadian people in every province approved this policy. We have been able to build on it and I think Canada, under whichever government has been in office, has no reason to apologize for what has been done in this field of aid for underdeveloped countries. I think we have given a lead both in measures for the restoration of trade and in the inauguration and building up of the Colombo plan; and, because of the high respect in which the hon. gentleman is held not merely in this house but in many parts of the country, I sincerely trust his remarks will fall on listening ears and not on deaf ears.

Mr. Macdonnell: If I may have one moment, Mr. Chairman, I wish, of course, to repudiate the suggestion of the hon. gentleman that whenever one says anything that he considers sensible it is a Liberal remark. However, I was reassured when he said before he sat down that both parties had reason to take satisfaction from their attitude in this matter, and I think that is true. I have never been at pains to deny the Liberal party whatever credit is due them, but I am certainly at pains to point out that the party to which I belong has shown itself broad, tolerant and constructive in these matters for many years.

Mr. Hees: I should like to thank the hon. member for Chambly-Rouville and the hon. member for Greenwood for the very constructive remarks they have made this morning. I should also like to comment briefly on the remarks of the hon. member for Assiniboia. In doing so I should like to quote a paragraph from the statement of the Minister of Agriculture when he spoke in the house a day or two ago about the wheat agreement with China. As found on page 4205 of *Hansard* he said:

> I have made it clear that there is a long term agreement. Under that agreement one contract has been signed. Each future contract will be negotiated in respect to price and quantity.

In speaking this morning the hon. member for Assiniboia, it seemed to me, tried to make out that the Minister of Agriculture had in some way misled the house as to what amount was in this agreement. I think it is evident from my quotation of the minister's words that he made it very clear exactly what this agreement is. On behalf of the government may I say that we believe this agreement is a good agreement, one which will benefit greatly our wheat and grain farmers and the Canadian economy as a whole. From the words of the hon. member for Assiniboia it is quite clear that if he and his party were the government of Canada today they would not have signed this agreement, with its great benefits to the farmers of Canada and to the Canadian economy as a whole.

Mr. Argue: Mr. Chairman, I am exceedingly disappointed by the statement of the minister, because it confirms in a very real way all the suspicions I have had about the agreement. No one has complained about the government signing an agreement. I am not even complaining about the signing of this agreement, although I have not seen it and think it should be produced. I am complaining, however, about the very misleading terms in which the minister referred to this agreement.

This is the history of sales to China this year. On February 2 there was an announcement by the government of the sale of 40 million bushels of wheat and barley valued at $60 million. On May 2 the minister announced in the house that in addition to this earlier sale there had been a sale of 2.2 million bushels of wheat valued at $3.7 million. The next sale the government announced was the sale of 28 million bushels of wheat and 17 million bushels of barley with an estimated total value of $66 million. Under the long term agreement the terms of payment are 25 per cent cash and the balance in 270 days.

But in order to get this additional agreement for the period June 1 to November 30 —and the minister can correct me if he believes I am wrong—Canada has had to do a great many things. The government has agreed to provide, and parliament will have to provide, a $50 million credit in order that this transaction may be undertaken. So that what the minister should have announced when he came back was not a gigantic sale of $362 million worth of grain, which has not taken place and for which an agreement has not been signed, although he talked about a sale, but rather a second agreement for a certain quantity of grain. At the same time he should have announced that in order to have this firm agreement signed for a much smaller sum, Canada has had to provide a credit of $50 million.

The Minister of Agriculture has talked about a sale of this order, namely 186.7 million bushels of wheat and 46.7 million bushels of barley worth approximately $362 million. He has told us the value and has

called it a sale, but there is no sale. If there is to be any sale in the future, the price and the quantity will be negotiated. The farmers of the prairies have been fooled into believing, and have been kidded, that this is a sale of 186.7 million bushels of wheat —they have even got it to the decimal point —and 46.7 million bushels of barley, which is worth $362 million. The only people who have decided to make a firm commitment are the people of Canada. No firm commitment has been made by China.

My understanding is that when a sale is made it must be a contract entered into by two persons. They agree to specific things. In this case the two parties would be the wheat board and the China Resources Company. No such transaction has been agreed upon. There is no firm agreement beyond November 30 this year, and I put that to the minister. China has committed itself to absolutely nothing. Our Minister of Agriculture called it a sale of this order which was worth $362 million. He pointed out what this would do for the country. I ask the Minister of Trade and Commerce to deny what I have said. I know he cannot.

Mr. Horner (Acadia): Will the hon. member permit a question?

Mr. Argue: I suggest that beyond November 30 this year there is a guarantee of absolutely nothing on the part of China, and all Canada does is say that no matter what other customers might happen to be available, even if—

Mr. Horner (Acadia): Would the hon. member permit a question?

Mr. Argue: When I am finished I will permit a question. No matter what other countries may want to purchase our wheat, we are committed to keeping in storage between now and the end of 1963 these quantities of wheat and barley, even though China has committed itself to absolutely nothing.

I say that the government and the minister, by the very careful phraseology of this statement, by using language in a way to mislead, by putting to work the high priced public relations people who have been hired not to sell wheat but to sell the Tory party, have perpetrated what may yet be the greatest hoax that the grain industry has seen for a long time. As I say, China has committed itself to nothing beyond November 30.

The government has allowed the story to go across Canada. Here we have the Winnipeg *Free Press* with a headline, "Red China Buying Canadian Grain for $362 Million". There is no such agreement, and I challenge the government to produce the agreement, make it a public document and let us not continue the argument in committee. Let the people know what is in the agreement. Let us see who is correct in his analysis of what this agreement means.

Mr. McIlraith: Mr. Chairman—

Mr. Horner (Acadia): I believe the hon. member said he would permit a question.

Mr. Argue: Yes.

Mr. Horner (Acadia): The hon. member has referred to the fact that the Canadian government has committed itself to keep this grain in storage. There are two questions I should like to ask. First, does the hon. member believe this grain will be in storage?

Mr. Argue: I am afraid with the Tory party in power it will be. I hope it will not.

Mr. Horner (Acadia): The second question is, is this not a major breakthrough in accepting sterling for our grain, something the farmers have been requesting for a number of years?

Mr. Argue: Well, I took it that the sterling would be convertible. My hon. friend can tell me if they have taken sterling which really cannot be converted into dollars and, therefore, is blocked sterling. Perhaps the hon. member can tell me if this government has decided to take blocked sterling only from communist China. I assumed that the sterling that was taken was convertible and that it was, in fact, a cash sale. There is a breakthrough—

Mr. Horner (Acadia): That is a big admission for you.

Mr. Argue: —in the quantities that have been sold.

Mr. Chambers: You do not want the sale cancelled?

Mr. Argue: I just want the truth. Let us put all the facts on the record. The fact of the matter is that this is just a pipe dream. This is just a hoax. This is just part of the vision. This is just another Tory promise that exists for the public relations people, but does not really exist.

Mr. Horner (Acadia): You see your dream of taking over the leadership of the New party failing and falling.

Mr. McIlraith: This subject of the wheat agreement certainly has generated a great deal of heat. Undoubtedly the agreement is of major importance. I must say that the allegations made by the leader of the group on my right, the C.C.F. group, are of a very serious nature. If they are sustained when

the agreement is produced, they will certainly represent a matter of major importance to the country.

I listened with great interest to the announcement of the Minister of Agriculture in common with all other hon. members in the house. I attached great importance to it and subsequently I read the statement very carefully. When I read it carefully there were some questions about it that concerned me. I did not want to put the questions to the Minister of Trade and Commerce yesterday because, as I mentioned in my remarks, he has a truncated department. When I made that reference I had in mind the fact that the wheat board had been taken from his jurisdiction and given to the Minister of Agriculture, rightly or wrongly. I thought the questions that arose in my mind about this contract were ones that should properly concern the other department. I had some questions, however, concerning the form of payment as they related to trade generally. The agreement itself, as announced, did raise questions in my mind, so I took what I thought was the proper course and put a motion on the order paper requesting production of the document.

This is something that cannot be debated in the committee at this stage. I would expect that the document would be produced, and we could then see whether or not the things that have been said about the agreement are right. They may or may not be. I simply do not know. I felt that the course adopted ought to be explained to the committee in case hon. members should assume from the failure to deal with it in my remarks yesterday that we somehow thought the agreement was not of major importance to the economy of this country, or of any significance to agriculture. It was simply a matter of taking the view that the agreement itself was something that came under the jurisdiction of the Minister of Agriculture.

I should have liked to ask this Minister of Trade and Commerce some questions about it, and indeed raise some arguments with him about it, but I thought it improper to do so. I should like the minister's view on what the situation is with respect to jurisdiction over this subject of the sale of wheat, now that jurisdiction over the wheat board and the board of grain commissioners has been taken from the Minister of Trade and Commerce and given to the Minister of Agriculture.

Mr. Hees: It is very easy to answer that question, Mr. Chairman. The wheat board and the board of grain commissioners now come under the jurisdiction of the Minister of Agriculture. He is responsible for the operation of these bodies. In the selling of wheat and grain abroad, my department gives every possible assistance to the board of grain commissioners and the wheat board, as well as to the minister himself. We will continue to do that.

Mr. McIlraith: Is it quite clear that the actual agreements are negotiated by other departments and not by your department?

Mr. Hees: That is correct, Mr. Chairman.

Mr. Macdonnell: Mr. Chairman, I wish to ask a question of the hon. member for Assiniboia, who has been making statements about misleading the house and these mythical public relations officers who have misled the public. As I understand it, the criticisms made by the hon. member for Assiniboia are derived from his having read the statement made by the minister to the House of Commons. As I listened to the minister the other day it seemed perfectly clear to me. It was perfectly clear that there was no misleading of the house in that statement. The minister did not pretend that the whole of the $362 million sale was in the same class. I think it was perfectly clear, and anyone who read the whole statement could understand it. That was my feeling when I listened to the statement.

If I am wrong, I want to be corrected, but I understood the hon. member's criticism was of statements which appeared in the press, and that when he saw the actual *Hansard* record he realized that those statements were a little too enthusiastic. Sometimes newspapers do become enthusiastic, but the idea that the minister should be blamed or was in any way responsible for misleading the public is, I think, something which is utterly unfair and which I hope the hon. member will withdraw.

Mr. Argue: Mr. Chairman, as we go along some things are at least becoming clearer to me, and the statement the hon. member for Greenwood has just made is exceedingly important. While he objects to the kind of language I may have used this morning—this is his perfect right, and I respect his opinion—he does not quarrel with the substance of what I said. He is not quarrelling with my interpretation of the agreement itself.

Mr. Macdonnell: I am quarrelling not with your interpretation of the agreement but with your suggestion that the minister was in some way responsible for what appeared in the press. That is going very far in itself, but also in addition the member for Assiniboia said the minister made the statement in such a way as to not really give a disclosure. My

point is that it is clear the minister gave a full disclosure, because that is where the hon. member obtained the information on which he bases his argument.

Mr. Argue: The important thing to me, as a member of parliament representing a part of Canada that has a tremendous interest in this matter, is that the hon. member agrees that my interpretation of the terms of the agreement is a correct one. He does object to my stating that the minister misled the house. He does not quarrel, apparently, with my statement that the press misled the country. I am really amazed that so many experienced members of the press gallery should buy this statement as they heard it, without really looking to see whether the Minister of Agriculture had something covered up a bit in the verbiage that he used. I say this statement was worded in a way that misled the house.

Mr. Chambers: It was not.

Mr. Argue: My friend can get up and talk—

Mr. Ricard: It would be much more interesting than what you are saying now.

Mr. Argue: —when I have resumed my seat. The Minister of Agriculture came in with this announcement and said this deal was worth approximately $362 million. That was the thing he was announcing. Then he added it to what had gone on before and said the approximate value was $425.6 million. The minister later on called it "a sale of this order". I think this was a carefully worded statement, and I think it was carefully designed to mislead. The minister did not come back and say, "We signed an agreement worth $60 million earlier. We have put a little bit on top of it".

Mr. Chambers: Mr. Chairman, I rise on a question of privilege. The Minister of Agriculture is not present, and it is not within the rules of this house for an hon. member to say that another hon. member of this house deliberately designed something in order to mislead.

Mr. Pickersgill: He did not say that.

Mr. Argue: If the hon. member is right, if that is what I said, I apologize. I did not mean to put in the word "deliberately". But if the minister had meant it to be deliberate he could not have done a better job. I will say I think this statement misled the house.

Mr. Macdonnell: No.

Mr. Lambert: You were not here; you were out politicking.

Mr. Argue: I should say it was put in a misleading manner. It certainly misled the country. It misled no less a person than the president of the Saskatchewan wheat pool. He said "This is a wonderful deal. It will take the surplus off the farms".

Mr. Horner (Acadia): Sour grapes.

Mr. Argue: It is not going to take the surplus off the farms. This is just another fleabite, and a welcome one; and I hope we have some more of this order. But 28 million bushels of wheat, when related to the hundreds and hundreds of millions of bushels which are surplus, are not going to take the surplus off the farms. The way the announcement has been interpreted, there is a lot more in it for the future. I do not know why the government signed this agreement as it is drawn, and I should like an explanation—

Mr. Horner (Acadia): In other words you think they should not have signed it?

Mr. Argue: I think this government signed an agreement to keep in storage and to provide, to have available, this huge quantity of grain, and that communist China did not make any commitment in exchange as to quantity or price. The Canadian government, through the Canadian wheat board, has committed itself to sell, but China has committed itself, I submit, to absolutely nothing beyond November of this year.

Mr. Hees: Mr. Chairman, could I correct the hon. member. I am advised that the government of China have agreed to take the full quantity, and that the only thing which remains to be negotiated is the price and delivery of the quantities from time to time. But they have agreed to take the full quantity over the period of time mentioned.

Mr. Argue: Mr. Chairman, I think the only way the minister can put forward this statement is to produce the agreement. I challenge that interpretation of the agreement. We have been on this subject for one hour—

An hon. Member: Longer than that.

Mr. Argue: —and the minister has now said there is a firm commitment from China.

Mr. Chown: He is not the responsible minister.

Mr. Argue: He is the responsible minister; he is a member of the cabinet. I used to hear about cabinet solidarity and that you cannot have ministers talking in different directions at different times. Now the hon. member says "Don't hold this minister responsible. He is not responsible; he did not negotiate the agreement".

Mr. Chown: On a point of order, Mr. Chairman, I simply said that the Minister of Trade

and Commerce is not responsible for producing the agreement the hon. member seeks. That is the only point I made, and I do not want the record to be covered with a cloud of the hon. member's verbiage because he takes it upon himself to misinterpret what I said.

Mr. Hees: Mr. Chairman, perhaps I could just read again the statement the Minister of Agriculture made in the house when making this announcement. He said:

> I have made it clear that there is a long term agreement. Under that agreement one contract has been signed. Each future contract will be negotiated in respect to price and quantity.

The operations of the wheat board do not come under my department, but trade generally does. I have been willing to discuss this matter in that context, but we are getting down to specifics which have to do with something that comes under the jurisdiction of my colleague the Minister of Agriculture. I suggest that we pass on to another subject. I think this matter has been thoroughly discussed as far as I am able to discuss it. I suggest we now pass on to other matters of trade and commerce. As soon as the Minister of Agriculture comes back, I suggest that the hon. member for Assiniboia puts his questions to him. I feel sure my colleague will be very glad to answer the hon. member.

Mr. Argue: Mr. Chairman, we are really getting the runaround. The minister now says there is an agreement. Nobody has been denying that there is an agreement, or that there is some document which has been signed. I should like to see the agreement. Certainly there is an agreement, but it is the most lopsided agreement I have ever heard of, where Canada agrees to provide and keep available this quantity of grain and, as far as I can tell, China has committed herself to nothing. To support his contention that there is some commitment the minister reads from his colleague's statement the words:

> I have made it clear that there is a long term agreement.

Of course there is, but it does not necessarily mean a thing. China does not commit herself to take a quantity of grain. She does not commit herself to the price that will be paid. Everything will be under negotiation except the Canadian part, which provides that we shall keep the grain available. Countries such as India have wanted our grain in the past and have gone into the markets of the world to obtain 586 million bushels of wheat in a four year period. We should have been engaged, long before, in the sale of our grain in the distressed areas of the world. However, the agreements we make should be agreements which provide for the sale of certain quantities of grain under guaranteed arrangements, and when agreements are signed they should mean something. I suggest that this agreement in its present terms does not say anything at all in support of the impressions which the minister sought to convey.

Mr. McIlraith: Before the vote carries I wish to raise another matter in connection with the administration of the department, having to do with the advice available to the minister from economists and related officials of the department.

It will be recalled that in January of 1958 a well known episode took place in the House of Commons, when the present Prime Minister made reference to a document called "The Canadian Economic Outlook, 1957". There was considerable controversy at the time with regard to this. It was a document marked "secret" on some pages and "confidential" on others, a document from which most of the blue covers had been torn off. When it was tabled a small part of them remained.

In any event, the document was an analysis prepared by economists in the department on a confidential basis for use by the government in helping them to formulate policy. Subsequent examination of the document showed that the Prime Minister in referring to it in the course of his speech had taken excerpts from it which were completely out of context. Study of the document after it had been tabled also showed that it was a comprehensive one, a document of a type which would be very helpful to the government in formulating policy by way of legislation or otherwise.

The next year, after a lot of delay and a lot of argument in the house, "The Canadian Economic Outlook, 1958" was tabled. A great deal of argument took place about it, but finally it was tabled and it appeared to be a document of the same general nature as previously. Then in 1960 when a motion was put forward asking for the tabling of "The Canadian Economic Outlook, 1959", the document was not produced; in fact there was a refusal to produce it. The motion was voted on by the house and the government succeeded in voting down the request for the production of that document without giving any reason at all for this action, though the government itself had set the precedent for the tabling of the document.

Later, when we raised the matter on the estimates of the department last year, after a great deal of somewhat heated argument the minister of trade and commerce of that day, now the Minister of Veterans Affairs, took the position that there was no such

document as "The Canadian Economic Outlook, 1959". Be that as it may, there appeared to be a contradiction at that time between the position taken when the production of the document was sought and the statement made when the matter was raised again on the estimates, when the minister said no such document had been prepared.

The question I wish to ask the present minister is this. Does he have such a document prepared for the use of the government? That is the narrow question I want to ask.

Mr. Hees: As the hon. member has said, two years ago, in accordance with what my predecessor stated when speaking on the estimates of this department—

Mr. McIlraith: It was just a year ago.

Mr. Hees: —last year the department adopted the procedure of preparing regular reports for the guidance of the minister and the government. This procedure is currently being followed.

Mr. McIlraith: That does not deal sufficiently with the question I sought to raise. Last year the matter was debated at some length on the estimates, as will appear from the report in *Hansard* of August 6, 1960 at pages 7724 and following. Summing up the whole argument—and I think I can do it fairly—it is clear the position taken by the minister was that the comprehensive document, the economic analysis for the year, the outlook for the year, was no longer provided, though he indicated that other related information was available from economists in the department.

I think that is an accurate summary of the position taken by the minister. What I want to ask the present minister is this. Is there one comprehensive report similar to the former "Canadian Economic Outlook" for particular years now provided for the use of the government?

Mr. Hees: No, Mr. Chairman.

Mr. McIlraith: Then, since we have a new minister of trade and commerce and since, except for the fact that he was a minister at that time, he was not directly involved in what I think must be regarded by most people as a most unusual procedure in relation to this document and to this whole affair, and since the hon. gentleman would not be subject to embarrassment if he were to reverse the decision which has been taken and were to put the production of this document back on a proper basis, I should like to urge him to re-establish the section of his department which did that work and to strengthen the present economic research section of his department in order that it may once again take up this task on a proper basis. It seems to me that the hon. gentleman and, indeed, the whole government are materially handicapping themselves by cutting themselves off from this kind of assistance, and that they have undoubtedly cut themselves off to some extent at least from this type of expert advice which it is very necessary for any government to have.

Mr. Hees: I am glad to be able to assure the hon. member that the expert advice is still available and is still given. However, it is given at more regular intervals now and much more frequently than in the past. The government is receiving the same kind of information from our economists as we did before, but now I get it several times a year instead of once a year.

Mr. McIlraith: The former information was not given only once a year. If the minister would look at those former reports he would find there were regular supplements, monthly supplements and that sort of thing. I urge the minister not to let the matter go in this way. The section of his department concerned could stand additional support from the ministry, proper support for the handling of the type of information it must prepare if it is to do its work successfully. The government would do well with more of that kind of advice.

Mr. Pickersgill: Mr. Chairman, I should like to ask the minister a supplementary question along the lines of those asked by the hon. member for Ottawa West. I should think the members of this committee would be interested, as I know I am, if the minister told us how frequently he receives these reports, and when the change in procedure was made.

Mr. Hees: I have been receiving these reports, ever since I became minister, I would say every month or six weeks.

Mr. Pickersgill: Does the minister know whether he receives them each month or six weeks; whether he receives them at regular or irregular intervals?

Mr. Hees: I receive them at irregular intervals, Mr. Chairman.

Mr. Pickersgill: Could the minister answer my other question regarding when the system was changed?

Mr. Hees: It was changed two years ago, Mr. Chairman.

Mr. Pickersgill: What was the nature of the change?

Mr. Hees: The change was that the reports were given to the minister at much more regular intervals than formerly.

Mr. Pickersgill: Could the minister say whether the custom that was followed by the previous administration of circulating these reports to every minister is being carried on, or has that been stopped?

Mr. Hees: Mr. Chairman these reports are circulated to any minister that I consider would be particularly interested in the matters discussed therein.

Mr. Pickersgill: I take it there is no regular system of distribution as there formerly was?

Mr. Hees: That is right, Mr. Chairman.

Mr. Pickersgill: Mr. Chairman, in other words the minister is now keeping most of his colleagues in the dark most of the time.

Mr. Hees: Mr. Chairman, my colleagues are not in the dark at any time. I do not believe, as the other government perhaps did, that one should put a lot of papers on the desks of individuals at regular intervals.

Mr. Pickersgill: Mr. Chairman, I take it the minister is perhaps afraid that there might be something hidden which, after the next election, will be dusted off by someone else in the fashion we all recall so well.

Mr. Lambert: Just guilty individuals do things like that.

Mr. Pickersgill: Mr. Chairman, the minister is taking the precaution of hiding the information so completely that no one will possibly find it. I would like to ask the minister whether these reports are sent regularly to the secretary of the cabinet.

Mr. Hees: No, Mr. Chairman, they are not.

Mr. McMillan: Mr. Chairman, I would like to ask the minister one or two questions. I do not intend to hold up these estimates, but I would like to know whether, in connection with application of quotas on imports and measures taken under the anti-dumping act, there is close co-operation between the minister and his colleague the Minister of National Revenue. I ask that question because it seems to me that the minister's department would be the only department conversant with Canadian production and, therefore, able to give that information to the Minister of National Revenue.

Mr. Hees: Mr. Chairman, my department, the Department of National Revenue and the Department of Finance work very closely together on matters of this kind at all times.

Mr. McMillan: Mr. Chairman, in connection with this matter, in the last issue of the *Leather and Shoes magazine* I noticed a statement to the effect that the Japanese ministry of international trade has asked the Japanese exporters of baseball gloves to set voluntary quotas on their shipments to the United States. This has been done at the request of the government of the United States. Has similar action been taken in Canada, and have leather manufacturers asked for that type of action? I know that leather goods manufacturers feel that the production of similar goods is subsidized by foreign governments. I would also like to know what action the minister has recommended to the Minister of National Revenue regarding a similar situation in respect of silverware and other commodities which he might now have in mind.

Mr. Hees: I am not aware of any such request regarding baseball gloves. Such requests would be made directly to the Minister of Finance. I am unaware of any having been made, although there may have been.

The Chairman: Shall vote 394 carry?

Mr. Pickersgill: No, Mr. Chairman. I should like to ask the minister a question, and if his answer indicates that my opinion is correct I will have some observations to make. The minister is probably aware that in late 1953 or 1954—I am not sure precisely when it was—the prime responsibility for the sale of fish was transferred from the Department of Fisheries to the minister's department. Is that still the situation?

Mr. Hees: Yes, it is, Mr. Chairman.

Mr. Pickersgill: In that case, Mr. Chairman, I have some observations to make regarding this very important subject. The minister will recall that he received a delegation of gentlemen, whom he variously described as the finest businessmen he had ever known, good traders, and so on, from Cuba, one of our principal customers for salt fish. The minister is probably aware, notwithstanding his enthusiasm for this delegation, that the market for salt fish in Cuba is not exactly buoyant at the present time. The minister is perhaps also aware that we have been facing increasing competition in many of our traditional markets which were mainly supplied by Canadian fish. I am sure he is thoroughly familiar with the difficulties there have been during recent years with respect to the exchange problem in Brazil. The result is that in the past year, particularly, there has been a growing accumulation of salt fish for which apparently there is no immediate market.

This problem has caused very grave concern to the producers and merchants on the east coast. I feel that before the minister's estimates are completed—I would not necessarily insist upon his doing so on the first

item of his estimates, if he feels there is some other more suitable estimate—he should make a statement regarding both the situation in respect of stocks and measures now being taken to deal with the problem. If the minister considers, as many other individuals do, that there is an emergency regarding this matter, what emergency action does the government plan to take?

I see it is one o'clock, and as I have a few other brief observations to make in respect of this subject, perhaps I could now call it one o'clock.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Pickersgill: Mr. Chairman, I rose rather unexpectedly just before one o'clock; I had not realized that we seemed to be so near the conclusion of debate on the minister's first item, perhaps because I was unfortunately not able to be here yesterday. Instead of putting the position in my own words I think, if the committee will bear with me for a moment, I will put it in the words of Mr. Harold Shea as they appeared in the Halifax *Chronicle-Herald* of March 16, 1961. Mr. Shea had obviously done a good deal of hard work on this problem. I think he has set out the position in a more succinct way than I could do it just by speaking off the cuff which, as hon. members know, I sometimes do. The article is headed:

> And now a salt fish crisis for Maritimes.
>
> With a growing cod surplus at home and a mounting dollar shortage in traditional markets, exporters have called upon Ottawa for assistance through give-aways to Congo or long term credits for foreign countries.

The dispatch itself reads:

> Problems of currency and competition are creating severe marketing difficulties for salt fish exporters in the Atlantic provinces and, unless the above average stockpile can be sold soon, lower returns to fishermen may be expected this year.
>
> This situation is causing concern to the federal government, too.

I hope Mr. Shea was right in this. I continue:

> It has been asked to help, but officials candidly admit that there does not appear to be any easy solution.

Well, I do not think there is an easy solution. That is why we have governments. If all our problems could be solved easily I imagine we would dispense with government altogether, especially in the economic field. The dispatch goes on:

> At a time when exporters on the east coast would normally be clearing away the last stocks of salted cod and shipping them off to the traditional markets in the Caribbean, there is a heavy hold-over of this fish with little hope of volume sales.
>
> And with a new salt fishing season only weeks away—

Unfortunately it is not getting on very fast yet because of the ice, as the minister knows. If he does not, if he would consult the officials of his former department—transport—he would soon find out. I continue:

> And with a new salt fishing season only weeks away, the stockpiles are going to grow and grow unless a way is found around marketing difficulties.
>
> As of January 31, according to government figures, the salt fish exporters in the maritimes were carrying 443,000 cases of salted cod (100 pounds to the case). At the same time last year, the reserve supply was less than half that.
>
> Sale prospects between now and the start of the new season are not bright. Orders are held for only 180,000 cases, which would leave the shippers with a backlog of 263,000 cases. What has caused this marketing problem?

I think it is worth putting these things on record because perhaps the minister can bring us more up to date than Mr. Shea has done about these particular markets.

> Brazil, with a new government, hasn't yet decided how many dollars it will release for salt fish.
>
> Spain, normally an importing country, is now selling fish to Puerto Rico and Portugal, two of Canada's customers.

Notwithstanding that statement, sir, I imagine that if we were producing the right kind of fish we could still sell fish to Spain, because I do not think the Spaniards can catch and cure the kind of fish they want for the high priced Spanish market. This is a problem on which I intend to say something when the estimates of the Department of Fisheries are in committee, but it would not be entirely fair to take up the time of the committee on the minister's estimates. The article goes on:

> Cuba, suffering a dollar shortage because of the drastic cut in American tourist travel to the island, has run out of money. It has ceased buying fish from Canada and Norway, and proposes to offer, instead of money, such items as fruits, vegetables, tobacco, rum and sisal in exchange for fish.
>
> Jamaica, Puerto Rico, British Guiana and the Dominican Republic are heavily overstocked with salted fish, and are not in the market immediately.
>
> Dominican Republic is apparently short of dollars too, because there have been reports that accounts with maritime companies are several months in arrears.
>
> With stocks 50 per cent heavier than last year, and with such dismal marketing prospects, and with a new fishing season scheduled to open soon, maritime exporters, and fishermen, are in trouble.
>
> They have appealed to the government for assistance.
>
> One suggestion offered by the exporters is that Ottawa purchase some of the backlog and contribute it to the people of the Congo. Norway is donating food now, and officials here say that no decision has been reached as to whether Canada will make food donations.
>
> It might be resolved through provision of export credits to Cuba, for example. But while Cuba has long been the largest single salt cod importing

island in the Caribbean, there is little chance that it will be able to build up a dollar supply, and repay Canada, as long as it is involved in its hassle with the United States.

Should the federal government purchase the surplus, as it has done with certain agricultural products, and make it available to municipalities to help feed the needy and the poor?

Should it buy the surplus and give it away through the Colombo plan?

While the government and the industry ponders what to do, there remains the ironical fact that the Canadian people could solve this problem in a matter of a few days.

Then, Mr. Chairman, the writer goes on to point out that if every Canadian would eat one and one half pounds of this fish the whole problem would be solved. Well, as a matter of fact that is no doubt true, but I would not be honest, notwithstanding the high regard I have for my fellow citizens, if I thought that solution, even with all the salesmanship of the Minister of Trade and Commerce, if he would just give up all his other activities and start peddling salt fish from Esquimalt to St. John's could be arrived at. I doubt whether the minister would accomplish that in time to solve the problem. I suggest, however, that the minister do try to peddle a little of it in Esquimalt, if he happens to be going there at this time of the year for any other reasons.

This is a very serious problem. For the people involved it is in every respect as serious as the problem of the wheat surplus was. Perhaps that has not been entirely solved yet, but at least there has been great improvement with regard to that situation.

I just happen to have here one of the many reports of speeches made by the minister's leader in 1957 when he was campaigning in the Atlantic provinces. This one is from the *Globe and Mail* of April 16, 1957. It is a report of a speech made by the present Prime Minister at St. John's, Newfoundland, in which the Prime Minister advocated a stronger support program for fish.

I think I am right in saying that from the time the right hon. gentleman who was minister of trade and commerce in the previous government took over the marketing of fish up to the present time, it has not been necessary to use the fisheries price support legislation for the support of salt codfish at all. During all that period I think the market has been able to absorb what was available and the prices have been reasonably good, not as good as we would like to see them by a long shot but reasonably good.

But this year there is a crisis and I think the fishermen and the fish trade in the Atlantic provinces will look to the Minister of Trade and Commerce to strengthen the arm of the Minister of Fisheries, and perhaps twist it if necessary, in order to see that they get just as good treatment as the farmers get and that the fisheries price support legislation, which was put on the statute books at the same time as the agricultural price support legislation and for the same purpose, is used with the same zeal if it needs to be used.

Perhaps the government can think of some other way to meet the problem. Particularly in the light of what was said just before lunch by the hon. member for Greenwood, I must say there is a great deal to be said, when you think of the numbers of people in the world who go to bed hungry every night, for the government taking this surplus off the commercial market if it cannot be sold on the market and disposing of it in an area where it will not depress the markets for the year 1961. The sum involved in such an operation would not be tremendous. Then the minister could get to work with his trade commissioners and others to try to improve the whole market situation for 1961, but no one can improve the market situation for 1961 if there is the overhang there now is in the form of this surplus.

I point this out to the minister as something that is of the most serious consequence to an industry that is just as important to those engaged in it as any other industry in the country.

Mr. Hees: If I may answer the hon. member for Bonavista-Twillingate, just before one o'clock he indicated that he would like some information on what the stocks are of wet salted cod and the various other types of cod.

Mr. Pickersgill: Yes, not just wet salted cod.

Mr. Hees: I asked the department to give me the figures, and I have them here. The figures of stocks on hand as of March 31 this year are as follows: Wet salted cod, 14,485,000 pounds; dried salted cod, 14,919,000 pounds, and boneless salt cod, 360,000 pounds. I asked for a report on our activities in assisting to get this fish sold, and am able to report as follows.

The question of helping our producers to move this cod is at present receiving the careful attention of officials of both the Department of Fisheries and the Department of Trade and Commerce. While stocks of salt cod as of March 31 are considerable in comparison wtih the corresponding period last year, it must be remembered that stocks in 1960 were inadequate. There are still three months remaining in the 1960-61 marketing year. It is expected that much of this surplus fish will move to markets other than Cuba prior to the end of June. In any event, we are watching the situation carefully and will do everything possible to assist in disposing of any stocks remaining at that time.

I again assure the hon. member and others interested in the fishing industry that our trade commissioners will work just as hard to help the producers of fish to sell their product, which is a very important one, as they will to help other producers to sell their products.

The hon. member asked if I would give him a comparison of sales in the last three years. I have asked for this information but have not received it yet. As soon as I receive it I will send it to the hon. member.

Mr. Pickersgill: When the minister receives it will he ask to have it included in *Hansard*? I think it would be of great interest to everyone who is anxious to appreciate this problem properly and not to exaggerate it.

Mr. Hees: I will be very glad to do so.

Mr. Pickersgill: Perhaps I might just add that I think those of us who are concerned about the plight of the fishing industry and the fishermen hope the minister will do more than watch the situation. I do not believe there is any possibility of the surplus that has now accumulated being absorbed by the the commercial markets this year without depressing the markets in a very serious way, and I think more than merely commercial operations will be required to deal with the emergency.

Mr. Matthews: Mr. Chairman, it is not my intention to take very much time in discussing this department, but I do think I should say a few words. Perhaps one of the most important departments that a government can have is the department of trade and commerce. This is not a new idea. It was a fact hundreds of years ago when the British empire started its great history in the field of commerce. History shows that, starting with British ships of commerce trading with all countries of the world, great strides were made in the building of the British empire.

It is quite interesting to know that the reign of Elizabeth I of England was a period of great significance in the advancement of the British nation. During her reign the nation made the greatest advances in the arts, the construction of many beautiful buildings, and also in trade and commerce. It is also interesting that Britain under Queen Elizabeth II is again making a wonderful recovery. Her economy is being built up by dedication and hard work, and we know that trade and commerce is one of the main contributing factors.

Our Minister of Trade and Commerce is, you can be sure, quite aware of these facts, and I know he has made a study of the factors that have contributed to the improved economy of Britain in the past few years. It is quite evident that Canada is now on the right path, and great credit is due to our Minister of Trade and Commerce. He is a real sales manager, has great faith in the people of Canada, and also knows that Canada has a great future if we Canadians will work to build this future.

A few years ago Canada was in the same position as a business, say a factory or a retail store, that had been left without proper management more or less to run itself. I have known businesses, and good ones too, that have not been properly operated; where the employees, while they were good workers and faithful, had been left by management without supervision and direction. The building and equipment had not been kept up to date, and the buying and selling of merchandise had not been done in a way suitable to the changed times. In other words the smart competitors had passed them and left them behind. Then a new management was installed to pull the business out of the rut, new approaches were used, good sales managers put new ideas and new faith into the workers, and after hard work by all a strong and healthy company was built.

When the voters of Canada changed the management of our fine country a few years ago they did so because they were sure that indifferent management was fast slowing down the economy of the nation. In spite of some people who have done their best to block the program of bringing Canada back to the position she should occupy as a nation with many natural resources, Canada has a bright and prosperous future.

Hon. members may not know that my constituency of Nanaimo contributes greatly to the commerce of the world. As many ocean-going freighters are loading their cargoes at the assembly wharf at Nanaimo, others are loading at Crofton. At the same time lumber freighters from all parts of the world are loading at Chemainus. This assembly wharf at Nanaimo is now being reconstructed. The reconstruction will take perhaps 14 months to complete at a cost of about three quarters of a million dollars.

On March 30 this year I wrote to the Minister of Agriculture requesting him to consider the construction of grain loading facilities at the assembly wharf while this reconstruction to which I have referred was taking place. I also spoke to the Minister of Trade and Commerce about this important matter. Grain storage facilities at this central port of Vancouver island could be a very important part of trade and commerce. While the federal government, in most cases, does not build these grain storage plants, I hope the Department of Agriculture will encourage the construction of such facilities.

I consider my constituency of Nanaimo to be a very important location which has contributed and will contribute greatly to the trade and commerce of Canada. Another important step in the improvement of deep-sea shipping facilities on the Pacific coast will be the building of a breakwater at Chemainus. For over 70 years Chemainus has loaded timber for all parts of the world and has contributed greatly to the economy of Canada. I hope every consideration will be given to the building of this breakwater, because Chemainus is certainly a part of the trade and commerce of Canada.

(Translation):

Mr. Deschatelets: Mr. Chairman, this morning's discussion concerning the sale of grain to red China took an extraordinary turn.

I followed it with great interest. The government and the Minister of Trade and Commerce (Mr. Hees) were clearly on the defensive.

I have read a number of times the statement made on May 2 by the Minister of Agriculture (Mr. Hamilton), and I noted particularly a paragraph on page 4205 of *Hansard* in which the minister said:

A sale of this order will spread substantial benefits through the Canadian economy.

In the same statement, the minister had previously announced a deal of some $362 million.

That is what the Minister of Agriculture said, that is what we understood and what Canadian newspapers and the Canadian people understood.

But there is more. In this morning's *Gazette,* we find the following statement made by the Secretary of State for External Affairs (Mr. Green):

(Text):

External Affairs Minister Green said yesterday that the big Canadian grain sale to communist China might be one of the many factors taken into consideration in the recognition of red China in the United Nations.

(Translation):

The government very definitely gave us the impression that this grain deal with communist China was worth $362 million.

If we go carefully over the details supplied by the Minister of Agriculture in the statement he made on Tuesday, May 2, we note the following facts.

First of all, the minister referred to the sale of 40 million bushels of wheat and barley, valued at approximately $60 million contracted between the Canadian wheat board and the China Resources Company. That is the first sale, a bilateral contract between China and Canada.

Second, the minister informed us that there is an additional sale to China of 2.2 million bushels of wheat, valued at $3.7 million, for shipment during March to May 1961. This is also a sale that puts China, as well as Canada, under certain bilateral obligations.

The minister then made another statement about a $66 million contract, signed under a long term agreement, by which China and Canada have mutually committed themselves, the latter to deliver goods, the former to pay an agreed price.

I therefore submit that there are three contracts, duly signed, and imposing a legal obligation upon China and Canada.

As for the rest of his statement, I suggest we have again been victims of a new vision. In fact, this agreement for $362 million worth of wheat and barley is only a promise to buy on the part of China. It is therefore on the part of Canada a unilateral commitment under which it would undertake to keep available for China 186.7 million bushels of wheat and 46.7 million bushels of barley from the 1st of June, 1961 to December 1963. Moreover, China would not be bound to buy the above mentioned quantities during this period.

Therefore for China this would amount to no more than an insurance policy covering the period from June 1961 to December 1963, in case its future crops fail to fill the gap that might exist in this year's wheat and barley crops.

What impressed me most this morning is that the matter was pointed out to the Minister of Trade and Commerce with a request that he then give an explanation concerning this agreement. Well, the minister found nothing better to do than read again parts of the statement made to last May 2 by the Minister of Agriculture (Mr. Hamilton). Unquestionably, these are disturbing facts we are now facing and not only are we entitled to an explanation but we also have the right to ask that any agreement signed by this government and the government of China, or a Chinese wheat committee, be tabled immediately, so that we may know whether we have not been left under a false impression following the statement made by the Minister of Agriculture on May 2.

Mr. Chairman, it would be proper at this stage, while we are on the subject of agreements, to review the fundamentals of any sales contract.

What is a sales contract? Let me refer to the civil code of the province of Quebec, section 1472, which reads as follows:

A sale is a contract whereby a person gives something to another person for a price in money which the latter undertakes to pay.

Mr. Chairman, first, it is essential for me to know the facts. In the Ottawa *Journal* of May 3, may be read the following statement made by the Minister of Agriculture, following a question put to him by Richard Jackson, a newspaperman.

(Text):

But wasn't trade a two-way street, and didn't the Chinese hope to recover some of their $326 million through sales of their own to Canada?

Could be, agreed Mr. Hamilton.

(Translation):

Well, Mr. Chairman, after all this window dressing about a sale which, in the main, is nothing of the kind, I think we are entitled to some explanations. In my opinion, it is quite obvious, in the light of the facts now given us, that the government of China has contracted no legal obligation in regard to the greater amount of money concerned for the purchase of that wheat. If we re-read the statement made by the Minister of Agriculture, the only conclusion we arrive at is that both the public and parliament were left under a false impression, an impression that even the figures provided by the minister fail to support. Therefore, I think we are entitled to demand the tabling of all documents and agreements concluded and signed, that we may know the actual scope of the sales made; in other words, in order that we may have the whole truth.

(Text):

Mr. Crouse: Mr. Chairman, I wish to make just a few brief remarks. It is not often that I find myself in agreement with the hon. member for Bonavista-Twillingate. However, in this instance I wish to endorse his remarks with regard to the salt fish situation.

All of us who represent fishing ridings are vitally concerned with this problem. At the present time there is a surplus of heavy salt codfish, and every effort is being made by the industry to move this surplus. As a matter of fact, some 200 tons were recently offered to Portugal at unprofitable prices. Although a sale has not been made, negotiations are still going on. Even if the sale is made we will still have abnormally heavy stocks for this time of year, particularly with the loss of the Cuban market, which was open to us a year ago.

In addition, sales of heavy salted pollack to the Dominican Republic have declined. This is due to their loss of purchasing power. As a result the Saguenay Shipping Company has reluctantly reduced its service to this area to once a month. This has created further hardship for both shippers and those who are in a position to buy.

As I mentioned, it is very important to the east coast that we move the present stocks of salted fish and that these stocks be reduced as soon as possible to a level where there is not likely to be any large carryover at the beginning of next season. If this is not done there is always the risk that an exporter may completely disorganize one or more of the regular markets by deciding to reduce his stock by selling at abnormally low prices. If this should be done it is obvious what the result would be, and not only to present Canadian exporters. If a large carryover is on hand it will abnormally reduce the price when fish are landed in the 1961 season.

I wish to bring this important matter to the attention of the minister. The situation is very serious. Possibly the minister could arrange to increase the amount of fish that is sold in the West Indies market. In any event, I am pleased to have this opportunity to bring this important problem to the minister's attention.

Mr. Martin (Essex East): Mr. Chairman, there is one additional matter about which I thought the minister would say something today, particularly in light of the fact that notwithstanding his disclaimer earlier in the session the minister has a responsibility along with the Minister of Labour and the Minister of Finance. As we know, the only positive program brought forward by the administration this year, apart from the limited winter works program, to provide a solution or mitigation for unemployment was the proposal of the Minister of Finance for the application of the principle of accelerated depreciation to assist industry to locate in areas where heavy pockets of unemployment now persist.

I am sure the government's proposal for double depreciation, as the minister called it in his budget speech of December 18, commended itself in principle to most people in the country as a constructive approach to this problem. But when analysis is given to the proposal it is apparent that what the government has in fact brought forward is not a very effective application of this principle.

The proposal is that there shall be double depreciation extended for one year to industry under certain conditions and where it is located in an area of chronic unemployment. The contention is made, and I repeat it now, that this program, in so far as it concerns the relocation of industry or encouraging industry to stay where it is already, will not bring forward one single case.

The minister has a responsibility in connection with this matter. He has not properly outlined exactly what his role in this program is to be. It has to do, of course, with the importation of certain articles which will have to do with encouragement of new industry, and I think the minister ought to tell the house now what progress has been made in this matter.

The minister should indicate whether the government has received any indication from any part of the country that there is to be a voluntary relocation of industry. Unless we have some satisfactory explanation we must conclude that this program is nothing more than a façade. I am convinced that this is all it is. It is part of the government's method of trying to create the impression that it is doing something to meet this serious problem of unemployment.

The Minister of Labour, when he presents his estimates, will be called on to report his achievements with regard to this program, as will the Minister of Finance. We are now dealing with the Department of Trade and Commerce, and we should have from the minister some indication of the number of applications which have been received, together with an indication of what this is going to mean in keeping down the numbers of unemployed and preventing a recurrence of unemployment.

What we shall want from the minister is not his usual friendly display of apparent good humour. What we shall want from the minister is a report which will indicate that this program has substance and is not merely a façade. The minister has been very active in meeting with his trade commissioners. He has been very active, he tells us, in meeting with the industrialists of this country, although I see he has begun to scold the industrialists for failing, he says, to follow the directions he has given.

In any event, the Minister of Labour is not alone responsible for doing something about unemployment. That is a responsibility which must be shared by all members of the government, notably by those responsible for the Department of Trade and Commerce, the Department of Finance, the Department of Defence Production, the Department of National Defence, the Department of National Health and Welfare and others. This is a responsibility which does not belong only to the little Minister of Labour. It is one which also devolves on the shoulders of the big Minister of Trade and Commerce. I think we are entitled to hear from the minister some indication of what the program means in practical results.

The hon. gentleman has changed his understanding as to the responsibility of the government toward unemployment. Only two or three months ago he said this was a problem which was now outside the scope of government responsibility, that it was something which was the responsibility of all the people of Canada. This is not, of course, what the Minister of Trade and Commerce said when he spoke on this subject when in opposition as a private member. Nor is it what he said as one of the chief tune makers of the administration during the elections of 1957 and 1958. The minister cannot hope to satisfy members of this committee merely by his friendly manner, his engaging smile and the fine impression we gather when we look at him. Fine impressions of this sort are not sufficient to warrant a conclusion that the minister is fully discharging his responsibility.

I should like to hear from the Minister of Trade and Commerce today what his solution is to the problem of unemployment. He has a responsibility in this matter. The Prime Minister made a most amazing statement when he said that the Bladen royal commission was not one which concerned the Department of Trade and Commerce but was of primary concern to the Department of Finance. I do not know whether this means that the government intends to take some fiscal steps at long last. I do not know whether this foreshadows the abolition of the excise tax on automobiles. I hope it means that, and I hope it means other things as well. But I cannot conceive that the Minister of Trade and Commerce would concur in the view stated by the Prime Minister that his department is not vitally concerned with whatever recommendations are made by Professor Bladen with regard to an industry which means so much to Canada.

I have not in the past pursued the Minister of Trade and Commerce on his estimates, but I do pursue him today in respect of this matter because I want some indication, and I believe this committee and the whole country want some indication, of how this program of double depreciation is developing and what it is doing to meet the objective set for it. The Minister of Trade and Commerce has an opportunity now of telling us exactly what has been done in this regard.

Mr. Hees: I was most interested to hear the hon. member for Essex East describe his imagined difficulties in getting a straight answer from me. It took me back to the days when he sat on this side of the house. Hon. members who sat in opposition in those days will remember what an operation it was at any time, whether on the orders of the day or on the hon. gentleman's estimates, to get any sort of an answer from him. It was really a big day in our lives if we could get the hon. member for Essex East, who was then minister of national health and welfare, to give us even a partial answer to our questions.

Mr. Pickersgill: I wonder if the minister would permit me to ask him a question. Is the minister seeking to model himself upon the hon. member for Essex East?

Mr. Hees: I certainly am not; and as the hon. member for Bonavista-Twillingate knows, having watched me across this chamber for four years, I have tended in the completely opposite direction. But when I hear the hon. member for Essex East describe what he imagines to be me—I guess he was in the same seat four years ago—then my mind goes back to the good old days when he was here and giving the kind of answers about which he is complaining today.

With regard to the hon. member's question, there have been about 200 applications for double depreciation allowance in respect of buildings or machinery connected with the manufacture of products that are new in Canada. These are under careful study by my department at the present time to ascertain whether the granting of double depreciation would be justified. As of April 26 last 28 areas had applied to be designed as surplus areas, and as of that date one of those areas had been so designated by the Department of Labour, the area of Cornwall. This plan is in operation, as the hon. member knows, for three years and the double depreciation allowance can be taken in any one of those three years.

Mr. Martin (Essex East): When was the first of the 200 applications submitted to the government?

Mr. Hees: I am advised it was a month or six weeks ago.

Mr. Martin (Essex East): Six weeks ago, and only one has so far been positively dealt with?

Mr. Hees: These are matters of great importance, and they have to be dealt with very carefully to make sure that no applications which are justified should be turned down. They are being studied intensively, as I have said, and it is our intention to give a well considered reply as quickly as it can be done. I can assure the hon. gentleman that there has been no unnecessary delay in this regard.

Mr. Martin (Essex East): The minister says there has been no unnecessary delay. I want to indicate to him that I know the application of the city of Windsor was put in over a month ago. It was approved, I have been advised, by the hon. gentleman's department and was sent to the office of the privy council over ten days ago. A government which is disposed to deal with unemployment in a vigorous way is not going to allow delays of this kind to take place.

Not only is this program ineffective because of the fact that it only operates for one full period of 12 months, but to the extent that it has any value at all the three departments of government concerned are obviously not displaying the kind of vigour which a problem as urgent as this requires. The government cannot hope to convince the country that it is doing anything serious about unemployment when, first of all, it brings forward such a limited formula, and then takes so long to deal with the applications. Only one area has been designated. The government has the criteria and all the facts so this delay can only mean one thing, and that is that this government has not diligently met this problem in accordance with the opportunities presented by its own declaration of policy.

Mr. Chevrier: Mr. Chairman, with no intention of holding up the estimates, as I know the minister is anxious to have them passed, I should like briefly to discuss this matter. There is a point to be made first in connection with the delays which have been encountered in designating these depressed areas, as well as the weakness of the policy in general. I think it has been stated in the house before, and perhaps it is well that it be stated again, that the policy which the government has presented, with reference to assistance to depressed areas, is not one which is going to be of very much use.

To substantiate that statement all I have to do is refer to a statement made by a prominent industrialist in this country in a speech he made at a Progressive Conservative meeting held in Toronto. He said words to this effect. Where is the industry that is going to establish itself in any area in Canada when all it will receive is double depreciation for a period of one year over a period of three years? He indicated quite clearly that this was of no use. While I do not know what the political affiliation of this gentleman is, he lost no time in condemning the government for that policy.

There are areas in Canada which are depressed. They need not be publicized, but it is a fact, and the minister should know, that little if anything is being done by means of this policy to assist those areas. At the moment I have particularly in mind areas in the province of Quebec and the Atlantic provinces. We have repeatedly placed on record here what we think should be done to assist secondary industry. The Minister of Finance, the Minister of National Revenue and the Minister of Trade and Commerce have repeatedly indicated in this house the proposals they had in mind, and the government has brought in legislation in this respect. But having brought in that legislation to give assistance to secondary industry these ministers tell us, in their next breath, that

they have not used this policy or, if they have done so, it has been done very irregularly.

I think the time has come for positive action rather than negative action, particularly in the field of secondary industry. I am not going back to the debate which was entered into in this house having to do with the Atlantic economic area, when we supported a proposed amendment to the motion to go into supply, but it indicated one way of encouraging assistance to manufacturing industries. There are other ways, such as income tax exemptions, loans, subventions, and more particularly specialization in certain groups of industries. We have indicated on more than one occasion that the government—not overnight, because this is a matter which cannot be done overnight but will take a number of years—could assist industries in specialization. Certainly the program which the Minister of Trade and Commerce has been given to administer is not one which is going to be of much benefit to those areas.

The next point I had in mind when I rose had to do with the delays which have been encountered in dealing with these applications. The minister has told us there have been 200 applications.

Mr. Hees: Mr. Chairman, may I correct that statement. I have just received further information in this regard, and can now say that there have been 200 applications for double depreciation in regard to machinery and products new to Canada, but only 10 applications have arisen out of these inquiries. In addition, there have been 28 applications for designation as surplus manpower areas.

Mr. Martin (Essex East): That is an even worse situation.

Mr. Chevrier: That situation is entirely different from the one which the minister certainly indicated to us a moment ago.

Mr. Hees: I corrected the figures as soon as I received the information.

Mr. Chevrier: I am grateful to the minister for his correction, but 200 applications for double depreciation in respect of machinery and equipment, and 28 applications for double depreciation because of a depressed area, are two different things, not akin one to the other.

I take it there are 28 applications which have been filed for assistance under the new policy and that only one such application has been approved. I too, along with my colleague from Essex East, deprecate the delay in dealing with these applications. It seems to me that the government could show a great deal more celerity than it has in the past.

[Mr. Chevrier.]

The main point is, as anyone who has studied this policy will realize, that the policy in itself is not sufficient. A great deal more will have to be done to give assistance to depressed areas.

Mr. Pickersgill: I should like to ask the minister one or two questions about this subject. It seems from the last figures the minister gave that two things are being confused. As I understand the policy, and I hope the minister will correct me promptly if I am wrong, there are two kinds of things which can be applied for. An area can apply to be classed as a depressed area—a totally unnecessary thing in our view—and when the area has been so classed, any industry in that area, whether it is producing new products or not, may apply for double depreciation.

Mr. Hees: That is right.

Mr. Pickersgill: Also, any industry in any part of Canada can apply for double depreciation in the production of new products. I think it would be helpful to the committee in understanding this question if the minister would say how many areas have applied. I know those applications have to be made to the Minister of Labour, but I assume that these two ministers are still talking to one another, particularly in view of the zeal of the Minister of Trade and Commerce regarding this program.

It will not do an area much good to be called a depressed area unless someone in that area applies for double depreciation. That is the minister's responsibility, and he ought to know about it from the start. I assume that he does. I think we should know how many areas have applied to be classed as depressed areas, and how many industries in those areas have applied for double depreciation. We ought to know how many industries in other parts of Canada have applied for double depreciation for new products. We should be given the three separate statistics involved, and I should ask the minister if he can give us this information.

Mr. Hees: Mr. Chairman, I would like to make it clear that applications in respect of surplus manpower areas—not depressed areas—are made to the Department of Labour, and the decision is made in that department as to whether an area is or is not a surplus manpower area. There have been 28 such applications.

Mr. Martin (Essex East): Only one has been dealt with.

Mr. Hees: Mr. Chairman, one has been classified as such, not dealt with. These applications are all under examination and consideration. One area has been classed as a surplus manpower area, and that is the area of Cornwall.

The hon. member for Bonavista-Twillingate is correct when he suggests that when one of these areas has been classified as a surplus manpower area any industry in that area can apply for double depreciation. In addition, applications can be made by industries in any part of the country for double depreciation in respect of the manufacture of products which are considered to be new products in Canada. We have had approximately 200 inquiries from industries of that kind which have resulted in 10 formal applications for double depreciation.

Mr. Bourget: Can the minister give a breakdown of the number of applications by provinces?

Mr. Hees: Yes, we have that information here. The applications for areas to be designated as surplus manpower areas are as follows: Nova Scotia, 7; New Brunswick, 9; Quebec, 6; Ontario, 4; Manitoba, 1; Alberta, 1; total, 28. This is the total as of April 22.

Mr. Nixon: Can the minister say whether Elliot Lake applied and was the application considered?

Mr. Hees: I am advised that that area did apply.

Mr. Pitman: Mr. Chairman, I had expected that the discussion on surplus manpower areas would take place on the estimates of the Minister of Labour. However, I am very happy to join in the discussion at this particular time.

About a week or so ago I placed a question on the order paper asking how many areas had been named as not distressed areas but surplus manpower areas. As the Minister of Trade and Commerce has just said, 28 areas have been so named. It seems to me incredible, since this program was announced late last year and, after a good deal of prodding by the hon. member for Essex East, a system was finally devised under which designated surplus manpower areas were to be named, that here we are in May and only one area has been so named. I can remember the Minister of Labour standing up and congratulating the government for not knowing of the areas because so few had applied. But here we find that 28 have applied and only one has been designated.

I should like to know just what system is being used to determine what is a surplus manpower area. I understood the whole system was based on the fact that the Department of Labour began to get statistics of surplus manpower areas in 1953. I went to the trouble of going down to the basement of the library and digging out all the *Labour Gazettes* and looking at Peterborough to see just where it stood. I discovered that this particular constituency had a labour manpower surplus, and could be designated as a surplus manpower area only 66 per cent of the time. When I last spoke on this particular measure I suggested that this was a ridiculous system for an industrialized area where fluctuations can take place very quickly. I discovered, and I congratulate them most heartily, that the members of the city council have come down here and asked whether their city could be named a surplus manpower area. Members of the staff of the Department of Labour are now going into the constituency to discover whether it should be named as a surplus manpower area.

Mr. Martin (Essex East): They should have gone in on their own initiative.

Mr. Pitman: The point I wish to raise is this.

Mr. Argue: Which side are you on?

Mr. Martin (Essex East): I am against it, but I think they should have gone in on their own initiative.

Mr. Pitman: If this is a definite system that has been established, and if everybody knows what the criteria are, why should it take this length of time to decide whether or not an area is a surplus manpower area? It took me approximately 45 minutes to look through the *Labour Gazette* and discover whether Peterborough was. I can see no reason why the minister should have to bring in the whole city council of Peterborough, or the labour officials, to discover this if the criterion is, as the Minister of Labour suggested, based on statistics which have been available since 1953. I think this is something which should be cleared up. It is a matter of some embarrassment. For example, I was questioned by people in my own constituency as to whether the constituency should be named a surplus manpower area, and I simply replied that I had gone through the *Labour Gazette*. I suggested that maybe other people could convince this government that we need every kind of assistance we could possibly get. I am not saying that this particular type of assistance is going to be much good but nevertheless we grasp at straws in this particular situation. I suggested to those people that they should make every attempt to get assistance but I indicated on the basis of the

study I had made that, in the months between November and May in the years 1953 to 1960, in only 66 per cent of those months could this area be classed as a surplus manpower area. Moreover, there were only two months during this period in which this area could be called more than a moderate surplus manpower area.

This is something which should be a matter of some concern. Perhaps the reason that this government has received very few applications is that nobody actually knew what the system was. I think it is about time that we found out exactly what are the criteria and just exactly how we are going to use them. In other words, why was this area declared a surplus manpower area? If it is not going to be based on the statistics which have been available since 1953 in the *Labour Gazette*, a magazine put out by the Department of Labour, if it is possible we should be told what the basis will be from this point forward.

Mr. Hees: I have sent for the criteria from the Department of Labour. As I have pointed out, the matter of designating surplus manpower areas comes under the jurisdiction of the Minister of Labour, and not under mine. I would be very glad to get a statement concerning the criteria and send it over to the hon. member. I think he will agree that the actual designation is not my responsibility. Once an area has been designated a surplus manpower area, then my department handles it. As I say, I have asked for a statement concerning the criteria from the Department of Labour and I will send it over to the hon. member.

Mr. Chevrier: I believe the minister is technically correct in the answer which he just made; it is the Department of Labour which decides—

Mr. Martin (Essex East): What is a surplus area.

Mr. Chevrier: What is a surplus manpower area; but there is one thing that does clearly come under the minister's department, namely the depreciation aspect. Once an area has been designated as a surplus manpower area, then what can be depreciated is a matter for decision by the Department of Trade and Commerce. I should like to ask the minister what can be depreciated in a depressed or surplus manpower area?

Mr. Hees: I am advised that it is any new machinery, equipment or plant.

Mr. Chevrier: May I just follow that up. Is that over and above the double depreciation for one year in the surplus manpower area, or is it separate and aside—

[Mr. Pitman.]

Mr. Hees: No, Mr. Chairman. If a plant is in an area designated as a surplus manpower area then it can apply for double depreciation for one year for new plant, equipment or machinery.

Mr. Chevrier: That applies no matter where an industry is in Canada, for a new product, as it is now?

Mr. Hees: Yes, that is correct, for a new product, but it applies to machinery or plant which is used to manufacture any product.

Mr. Martin (Essex East): Does it not also apply to plants already in existence in an area that has been designated as a distressed area. The provision for double depreciation will also apply to goods that have heretofore been produced in that area? I want to justifiably depreciate the program of the government, but in fairness I want to indicate some positive features of this plan, as it presents a good picture in principle. If the minister will answer this question I will make my further comment.

Mr. Hees: Yes, it applies in an area designated as a surplus manpower area, to any plant, machinery or equipment that is new, for the manufacture of any product.

Mr. Martin (Essex East): I was trying to help the minister to indicate that it went further than that. If he will look at the order in council he will find that it applies as well to a plant already in existence in a distressed area and in respect of the production of goods in that plant in that distressed area. But the point is that the program is not going to be of any value whatsoever because this is a program designed to be operative for one year only. Surely it cannot possibly achieve anything approaching a substantial solution to the problem of unemployment or the mitigation of it.

We have had an amazing revelation today from the minister as to the number of applications in respect of those applications that come under his jurisdiction. He has, in addition, given us the number of areas that have made application for the program under the Minister of Labour. But the statistics clearly show how bankrupt this program is. It is inconceivable that a government, faced with the problem of unemployment we have in this country at the present time, should seek to try to put over the house and the people of Canada the impression that this is a program that is really seriously designed to deal with unemployment. I doubt whether any government in Canadian history has ever brought forward a program which on the slightest examination has been revealed to be so inadequate and so unworthy of presentation in this house.

I say to the Minister of Trade and Commerce that if he alone had the responsibility for this matter I am sure, whatever might have been the weaknesses in the thinking processes that might have accompanied the idea, the program would at least have had much greater substance than this. For the government to think that it can put over the house, the businessmen of the nation and the unemployed of the country the idea that this program designed for one year is capable of doing the job is a simply monstrous suggestion. It is part of the pattern of behaviour of the government from the beginning of this session.

The government will be able to say, "See what we have done. We have brought forward a program of double depreciation. We have brought forward a program to provide for vocational rehabilitation". In fact all the government has done has been to bring forward in a new form an idea and program that have been in existence in this country for 12 years. "See what we have done," the government will say. "We have brought forward the productivity council". But at the same time hon. members opposite do not tell the unsuspecting public that this program is to be effective only in the long range future. "See what we have done," hon. gentlemen opposite will say, "We have brought forward legislation to assist small business," when in fact all they have done has been to bring forward legislation to assist in the improvement of the premises of certain business categories.

I say to the Minister of Trade and Commerce this program is not an effective one. This program in principle could be an effective one but it would have to be a program that would give relief by way of accelerated depreciation for an extended period. Why does the minister not do what has been done in England? Why does he not do what has been done in Belgium and in West Germany? In the case of these countries the lowest period prevailing under such programs is, I believe, eight years.

If we had a program that was going to be in existence for a period of eight years there would be some inducement for a company to move from Toronto to Essex county or from Ottawa to Cornwall where there is a serious unemployment problem. In Cornwall over 16 per cent of the work force is out of work. But what company is going to move from Ottawa to Cornwall when all it is going to get is the benefit of this principle of double depreciation for one year?

I say to the government members that they do not like it when we criticize them for not doing anything about unemployment. They characterize our efforts as being those of men who are simply bent on presenting the gloomiest picture and delighting in it. Well, that is an argument but it is not a fair argument; it is not an honourable argument. Today we are face to face with an examination of the government program, a program that was vaunted by the Minister of Finance in the baby budget. The word went out throughout the country that the government at long last had recognized the urgency of the problem and was going to do something along the lines of the program that had been followed in the United Kingdom. It took two and a half months of prodding on our part to elicit from the Minister of Trade and Commerce, the Minister of Finance, the Minister of Labour and the Prime Minister some indication as to when this program might be presented, and finally after two and a half months what did we get? This anaemic child, this puny child from a government which represents itself as a giant in its vision and in its desire to meet the problem of unemployment.

I say that there is no program this government has brought forward that has brought it into greater disrepute than this particular program, and that it is no credit to a government that should have brought forward serious legislation in the house.

Mr. Hees: Mr. Chairman, the only comment I should like to make is to congratulate the hon. member most genuinely because, after making the identical speech on at least 12 other occasions in the house during this session, he is able again today to simulate that righteous indignation which he is so skilled in simulating. Truly the stage lost a great actor when the hon. member for Essex East decided to go into politics.

Mr. Martin (Essex East): Mr. Chairman, this personal remark is one to which I have no objection. I thank the minister for the compliment, but I want the committee and the country to know that all the minister has said in reply to what I have said is that I have repeated positions formerly taken and that in the repetition I have displayed a histrionic and dramatic skill which he admires. He has said nothing about the substance of my criticism and I can only take it that the fact that the minister sits there now blushing indicates that he recognizes and is greatly embarrassed by the kind of program that the government has brought forward. I say that the minister's silence indicates clearly that down in his heart he knows this is the kind of program with which he wishes he had nothing to do.

Mr. Pickersgill: Mr. Chairman, I should like to ask the minister if it would be a correct summary of the statistics he gave us to say that out of the applications received by

the Department of Labour for areas to be declared to be surplus manpower areas only one area has been so declared—

Mr. Martin (Essex East): Cornwall.

Mr. Pickersgill: —and that of the applications for double depreciation there has been none approved yet. Is that correct?

Mr. Hees: I said that out of 28 applications by areas to be designated as surplus manpower areas one was so designated as of April 26 last. We have received 10 applications for double depreciation from areas other than surplus manpower areas. These have all been under very intensive consideration since they were received within the last month or six weeks and we expect to be able to make our decisions very soon.

Mr. Pickersgill: The plain fact is that five months after the introduction of the baby budget absolutely no company in this country is receiving double depreciation at the present time. There is no company whose application has been allowed five months after this program was announced by the Minister of Finance. That is a single sentence summary of the minister's report of progress on this program.

Mr. Pitman: Mr. Chairman, under item one I should like to refer to another matter which is of particular interest to me and which I am sure has far less political significance than what we have just been discussing. It has to do with the dominion bureau of statistics. The dominion bureau of statistics is certainly a very admirable organization. However, I should like to read a resolution which was passed by the county council in my area. It is in these words:

> Whereas the number of requests for statistical information with accompanying forms required from municipalities from various government departments is steadily increasing, with accompanying demands on municipal officials.
>
> Whereas these reports increase the work of local staff, necessitating increased personnel with additional cost to the taxpayer. As an example we wish to cite a new monthly form requested under the caption of "Government and Payroll" requested by the dominion bureau of statistics.
>
> Therefore be it resolved that by unanimous agreement the council of the county of Peterborough in regular session assembled requests the support and co-operation of the dominion and provincial governments in the elimination of duplication and growing volume of statistics required to be filled out by our county and local offices. These reports are increasing the work of local staffs and will certainly require additional staff at our local level in the near future.

This particular resolution was sent to all the counties in Ontario. Within the last couple of weeks or so a stack of letters has been received stating that the councils in all parts of Ontario had unanimously endorsed this resolution. Certainly, our civilization is becoming more complex. We need more and more research and, therefore, more and more statistics. This is not a political situation at all. This situation would obtain if our friends to the left were in office or if our friends across the aisle were to remain in office.

The point is the municipalities are finding the work extremely burdensome. The problem is not one limited to municipalities and counties but is one which businessmen face as well. I feel it is about time we spent less effort trying to devise new forms and more effort trying to get co-operation between the various government departments. An example of the situation which has developed is seen in one statistical form which requests information be sent to the bureau of statistics which has already been transmitted to the provincial government. This form requires from municipalities certain information concerning debenture debt. The county treasurer has to dig out all the records for the year before to secure the information, and this requires hours and hours of labour. The annoying aspect of the matter is that the information has already been submitted. Indeed, I believe in many cases it has already been published.

One county clerk and treasurer of tremendous ability has estimated that 75 per cent of the information being sent to the dominion bureau of satistics has already been submitted to the provincial governments or some other organization. Has the minister something he would like to say by way of reply?

Mr. Hees: Yes, this is an important matter to which the hon. member has referred. I am very glad to be able to advise him that discussions have already begun between the dominion bureau of statistics and the Ontario department of municipal affairs to ascertain whether or not this duplication can be avoided. We are aware of it, and the matter is now in hand.

Mr. Pitman: I do thank the minister for those remarks.

Mr. Hees: I should like to mention also that this matter was brought to my attention by the hon. member for Hastings-Frontenac, who is keenly interested in this matter.

Mr. Pitman: I am sure that this information will lead me to curtail my remarks. I hope that this meeting will seek to gain the co-operation of the various county clerks and treasurers, who are already overburdened, in doing the best possible job. In many areas the furnishing of this information means calling in extra help and, while this may be

one way of creating employment I am not sure it is the best way. I thank the minister for his remarks.

Mr. Peters: Before this vote carries I should like to refer to a matter I mentioned last evening, the desirability of establishing a division of the Department of Trade and Commerce which would have as its goal the establishment of secondary industry in those areas in which, under the private enterprise system, it has not been established because the criterion used is the proximity to markets. Does the minister have something to say on this subject?

Mr. Hees: Yes, I am glad to tell the hon. member, and the members of the committee, about our domestic commerce service which was established in my department last August with an assistant deputy minister in charge. We consider of prime importance the matter of the development of secondary industry in this country. I should like to tell this committee something of the work of the industrial development branch which co-ordinates the federal government activities in the industrial development field. It assists Canadian companies considering expansion or seeking new products to manufacture. In addition, the branch seeks out and assists foreign companies interested in establishing plants in Canada.

The branch works closely in carrying out its functions with provincial governments, municipal bodies, business associations and other agencies interested in industrial development. In addition to supplying general information on domestic markets and trade to businessmen, the branch can provide special statistical information on imports and in the past few years has prepared an extensive number of import studies, the most recent being the study of the imports of chemical products. The branch has also been active in promoting licensing arrangements between Canadian and foreign companies. In this connection, it publishes regularly a bulletin entitled "New Methods and Products for Licensing in Canada". This bulletin lists various products and processes for which foreign companies are seeking Canadian production facilities. Other publications prepared by the branch in response to business requests provide information on taxes, tariffs, sources of financing, forms of business organizations and other matters related to doing business in Canada.

I think the hon. member, and other members, will agree that we are taking this matter very seriously indeed. We are doing everything we can to help new industries become established and to carry on their operations successfully. The branch is ready and willing to receive inquiries, either by mail or in person, from any business firm that wants to come here and talk over matters with us. We believe that the most important means of providing jobs in Canada is by helping the development of secondary industry. I agree with the views expressed by the hon. member last night that this development must be carried forward with all possible speed and I should like to assure him my department will help secondary industry help itself in every possible way we can.

Mr. Peters: I want to thank the minister for his remarks in this context. While this branch of the minister's department is new and has new ideas, it is probably going to be the most important aid to the development of industry in those areas that are now not getting industry. I was wondering whether or not the department has given any consideration to means other than those mentioned. We listened this afternoon to some discussion about one method for aiding industry, namely double depreciation. This is an inducement the government has provided to persuade industry to locate in an area.

Is the government giving consideration to some other methods? I suggest consideration might be given to the various types of inducement used in Great Britain, both during the war and after the war, to induce industry to disperse from overcrowded areas. I think Toronto would probably be in that category in Canada. Has the government investigated the methods used by other countries to move secondary industry into other areas?

Perhaps the word "subsidy" would not be acceptable to the present government and it might look with more favour on the word "inducement". Whatever method is used, it is apparent now in northern Ontario—it was not apparent five years ago—that we are going to have to provide some type of assistance to attract industry into that area, even if we call that state socialism.

We would not want to suggest to the minister that he go this far, but there are other inducements which perhaps have even more acceptable names than compulsory resettlement, or something of that nature, which I am sure could be investigated. I wondered whether the minister and the department are carrying out any investigation along this line. Inducements are going to be necessary, and I think everyone will agree that if a plan were operated on that basis it would make available larger markets for our products.

We suggest that the factory be located close to the natural resource concerned so that the finished product could be exported from that

area. There will need to be some encouragement on the part of the government to get industry to change the system.

Mr. Hees: Mr. Chairman, when firms indicate to us that they would like to establish branches in Canada, we point out the desirability of moving to areas which are designated as areas of surplus manpower. We do everything we can to try and persuade them to establish their plants in those areas, and we will continue to do this.

We have studied the English system very carefully. Their problems are different than ours, but the result they achieve is very good. We are studying the possibilities of influencing businesses to move to areas where employment is badly needed. I hope we will be able to work out a practical plan along that line in the not too distant future.

Item agreed to.

400. 1961 Decennial census of Canada, $13,539,378.

Mr. Chevrier: Mr. Chairman, I should like to say a few words in connection with this matter, which is one of considerable importance, or at least it has been so described by the government. I should like first of all to refer to a speech made by the Prime Minister on "The Nation's Business" on April 12, 1961. During that speech on television the Prime Minister made the following statement:

> For the first time in Canada's history, you, no matter what your racial origin may be, you have the opportunity of registering as a Canadian.

Mr. Chairman, that is not a true statement. That statement is not only inaccurate, but it is false. I think I can demonstrate that from information which I hold in my hand having to do with the decennial census of 1951 when the previous government was in office.

In the questionnaire which I hold in my hand and which was used in the year 1951, heading 16 is entitled "Citizenship (Nationality)", and the first answer given is "Canada". In other words, every Canadian citizen could describe himself in that fashion, as a citizen of Canada, in the census of 1951 and could answer the question truthfully in no other way.

Therefore I say without hesitation that the Prime Minister's statement is simply not in accordance with the facts and he is obviously seeking to claim credit for something with which his government had nothing to do. This, of course, is characteristic of the present government and I feel the record should be corrected in that respect.

I do, however, think that another statement made by the Prime Minister relating to this matter should be put on the record. This statement can be found at page 749 of *Hansard* of June 13, 1940. At that time the Prime Minister said:

> My criticism of the census is that, regardless of the number of generations that have elapsed or the admixtures of nationality that have taken place during 40, 50, 75 or 125 years, so long as persons must register under the nationality of their paternal ancestor, there will never be that Canadianism which we wish to establish.

I should like to say a word in connection with that statement. In 1940, when the Prime Minister made this statement, he said there would never be a Canadian spirit as long as our citizens were obliged to declare their ethnic origin. I certainly do not agree with that statement. It shows—I say this with all respect—a deep misunderstanding of the history and traditions of the Canadian people.

Of course, we all want to build and develop a united nation, a united and distinctive Canadian nation; but in order to maintain that unity in our country, diversity is also essential and important. Canadians never wanted to follow the policy and attitudes which existed in the United States melting pot, because there cultural diversity has in effect been banished. I believe we want in Canada, as the Leader of the Opposition has said so often, unity without uniformity.

Those two characteristics of the Canadian nation are reflected in questions 8 and 10. Question 8 asks for our nationality and question 10 for our origin. The first one is intended to stress the unity of our people, and I am sure that when question 8 is asked of those who have received their Canadian citizenship they will be very proud indeed to answer that they are Canadians.

Question 10, on the other hand, stresses the element of diversity which can be found in Canada and which most Canadians, I am sure, desire to preserve. This diversity of cultural origin has been in the past, and will be in the future, a great source of cultural enrichment for Canada.

French Canadians are not the only ones who are proud of their cultural ancestry. So are the English, Scots, Irish, Italian, German, Ukrainian and many others. This can be illustrated by the numerous St. Andrew's societies in all parts of Canada.

We want to continue to be informed, as we have in the past, of the composition and cultural origin of all Canadians, because we are convinced that in maintaining cultural diversity we will strengthen the unity of our country. This question, therefore, does not concern only those Canadians of French origin, but all other Canadians. I am convinced that the government was well advised to change its attitude and restore question 10 as it was in 1951, because the object of

this change will prevent any future weakening of that Canadian spirit and unity which all of us in this committee want to see strengthened.

There is another aspect of this matter. It is that there is provided by this question a great deal of information which otherwise could not be obtained. It seems to me that a census should provide the most complete information about the composition of a people and since there are questions here having to do with age, occupation, marital status, religion, geographical distribution, spoken language and urban and rural density of population, why should there not be a question about racial origin? It is equally important to obtain information as to the racial origin of the individual because this is the only means by which Canadians of all ethnic groups can ascertain their numbers and their distribution across Canada. Why, then, should this question not be asked, since it has been asked since 1891? Why take it away now?

Again, the science of sociology requires that the census reveal the ethnic origin of Canadians. Thanks to the information which has been obtained from this question in the census it has been possible for sociologists to prepare and write works of great importance upon the concentration and the diversity of population in urban as well as rural areas. For these reasons I think it was well to restore the question as it was in 1951 and, as I have indicated on a former occasion, I believe the government was well advised in doing what it did. My regret at the moment is that the Prime Minister should have made the statement which he did creating the impression that this was the first time in history when this action has been taken. Such is not the case, as I have attempted to show.

Mr. Hees: I should like to answer the hon. member. With regard to question 10, the hon. member for Laurier said it simply restores the question to the form in which it had originally been presented. On the contrary, I believe we have improved question 10. The way that question is now asked, we are bound to get a correct answer. In other words, we shall have people answering as to their ethnic origin and nothing else. As we all know, the form in which the question was asked in 1951 led to 150,000 people answering incorrectly. They answered either "Canadian" or "unknown", thereby making the final figures incorrect. I think the hon. member will agree that the question as reworded now is greatly improved and I am sure we all welcome this because it is important that these figures as to ethnic origin should be correct.

Mr. Chevrier: That was not the point of my intervention, that is, that the question had been reworded. My point was that the question on racial origins had been asked before. I think I have made it clear that in the census of 1951 both questions 16 and 17 make it evident that Canadian citizenship could be given as an answer to the former question and, of course, racial origin in answer to question 17. There was an attempt made to take that away in the 1961 census. That is why I said, I think with some degree of assurance, that the question had properly been restored.

Mr. Hees: I feel sure that when the Prime Minister spoke on this matter he meant that never before had the question been asked as directly as it is now. It is now impossible for anybody to misunderstand. The question is now "Are you a Canadian"? It is impossible to misunderstand that question and Canadians can answer with a straight "yes". There can be no misunderstanding at all. I am sure that is what the Prime Minister meant.

(Translation):

Mr. Pigeon: Mr. Chairman, I should like to say a few words to commend the Prime Minister of Canada (Mr. Diefenbaker) who, in co-operation with the Minister of Trade and Commerce (Mr. Hees) and other members of the cabinet, had the census form completely revised, as it was not in accordance with scientific requirements.

I should like to read part of a letter from the dominion bureau of statistics, signed by the acting dominion statistician, Mr. Marshall, and I quote:

> Canadian census, 1951
>
> Before the 1951 Canadian census, the government then in office had instructed the dominion bureau of statistics to accept "Canadian" and "American" in reply to the question on "Origin".

It will be noted that the hon. member for Laurier (Mr. Chevrier) was then minister of transport and therefore a member of the cabinet. I wonder why he did not protest such a decision at the time.

May I also point out to the house that national organizations such as the Conseil de la vie française and the Societes Saint-Jean-Baptiste have commended the action of the government in setting that matter right and giving much greater force to our statistical data.

Finally, I should like to refer to the remarks made yesterday by the member for Port Arthur (Mr. Fisher). In part of his speech, he used what I think were uncalled for expressions in reference to the people of the province of Quebec. I must point out to the

member for Port Arthur that such statements do not contribute to a strong and healthy national unity.

French speaking Canadians have their rights, just as English speaking Canadians have their rights, and if we want a powerful confederation, both groups must co-operate and be fair to each other.

Then too, I should like to emphasize this quotation from a statement made by Mr. Bourguiba, prime minister of Tunisia, during his visit to Canada:

> Communism grows when it can take advantage of intolerable discontent, when feelings of dignity, freedom, justice and equality are trampled on.

I commend those words to the hon. member for Port Arthur, and I also point out to him that, instead of the word "communism", we might perhaps substitute the name of a certain movement which is emerging in part of Canada and which is described as being a national independence movement.

(Text):

Mr. Pickersgill: Like the hon. member who has just spoken I should like to take some exception to what I think was—if I shall not be considered disrespectful in referring thus to the hon. member—a rather silly observation made yesterday by the hon. member for Port Arthur. I wish he was here to hear me say that because I felt it was very silly that a gentleman with the cultivation of the hon. member for Port Arthur—and I am not seeking to disparage it because the hon. member is a well educated and cultivated member of the house who frequently makes very valuable contributions to our debate which, like other hon. members, I very much appreciate—should make such observations. But I thought, yesterday, he was really indulging in what I call silliness when he said, for example, that when the census enumerator called around he was going to tell the census enumerator, whether it was question No. 10 or the next question, that he was a Canadian and that this nonsense of ethnic origins, as he called it, in terms of so many of the people of this country does not mean a thing.

That is nonsense, sir, but it is, of course, precisely what the Prime Minister said in 1940 when he was sitting on this side of the house, as the hon. member for Laurier pointed out by reading the quotation he read earlier. I do not know why some people are so anxious to suppress this inquiry into ethnic origin. Nobody is compelled to answer this question. You can say you do not know, and there will be a good many people who do not know. If you want to, at least when you have a Liberal government in this country, you can say you are a Canadian or an Iroquois or anything you like, and you are not going to be haled before the courts. I hope the present minister is not going to take anybody before the courts if he insists his ethnic origin is Canadian.

Mr. Hees: The hon. member is quite correct.

Mr. Pickersgill: That is what Mr. St. Laurent said in the letter to which reference has been made. He said if an individual wanted to declare his ethnic origin as Canadian in this free country he would not be stopped. However, the vast majority of us are quite willing to attempt to give the best answer we can to this question. I admit that a lot of us are a little mixed up about this. I know perfectly well where my paternal grandfather came from; he was born in England, However, if I consider the first of my ancestors who came to Canada from the United States was descended from ancestors who were born in Holland, there is a nice question involved in the case of many of us to the predominant strain, but I suspect that these things iron themselves out, and that we reach a good average cross section by simply taking the ancestry of the paternal line.

What Mr. St. Laurent said in 1951, which was characteristic of his approach to problems of this kind, was that this is a free country and if anyone wants to declare his origin as Canadian, no one would stop him because we do not have a dictatorship. However, for the most part I think people will give the correct answer.

If the hon. member for Port Arthur, as an exercise in eccentricity, wants to have nothing to do with what he calls this nonsense about ethnic origin, I see no objection to that at all. It is his own affair, but I do not really think it is nonsense. I think, even if it were not for the historical problem, as the hon. member for Laurier has mentioned, involving the relationship between the two founding nations of this country on which our whole constitution is based, I think both sides have a right to have the best statistics which are available, and on which many of the conventions in the Canadian constitution rest. I say it is important to have that information as accurately as it can be acquired in a free society. I do not want any thumbscrews used to compel people to say they are one thing rather than another, but I do not feel most people will need that type of persuasion before giving the correct answer.

The hon. member for Port Arthur asked yesterday when we were going to have a chance in this country to be Canadians and to forget about this ethnic nonsense. I do not think a man is a worse Canadian because he is proud of the history of his ancestors

in the Ukraine. I do not think a man is a worse Canadian because he admits that his grandfather was born in England. I do not think a man is a worse Canadian because he can trace his ancestry back three centuries to some hamlet, village, seaport, or town in France. I think we are better Canadians for knowing more about ourselves, and I am very surprised that anyone should think the reverse. After all, we are trying to have a varied society, not to be like a lot of peas in a pod.

Then hon. member for Port Arthur also asked this question as reported at page 4305 of *Hansard* for May 3, 1961:

> But I should like to ask the minister again: when, in Canada, are we going to be able to declare ourselves Canadians and not in terms of citizenship?

I do not know what he meant. If his words are transcribed correctly, I simply cannot figure out what they mean. How else are we going to declare ourselves Canadians except in terms of citizenship? That is what makes us Canadians, our citizenship.

Those of us on this side of the house who supported the hon. member for Essex East when, as secretary of state, he introduced the Canadian Citizenship Act which came into force on January 1, 1947, are very proud that our party happened to be in office and took the initiative in establishing that legislation which removed any doubt about citizenship.

Mr. Horner (Acadia): Why did you wait until 1947?

Mr. Pickersgill: The hon. gentleman will have to wait, I should think, until the year 2047 before he is a member of any government and has a chance to do anything.

I might point out, since the hon. gentleman is seeking to introduce a partisan view, which I was attempting to avoid, that one of the reasons this was not done earlier was that the hon. gentleman's party contained a considerable number of people who did not want it done, but who preferred a colonial status to a national status. It has always been the view of Liberal governments that they should not force things down people's throats but should secure the general consent of the vast majority of people. We believe one person has as much right to an opinion as another, whether or not we agree with it. There is no doubt that, notwithstanding the view of what you might call the residual colonials in this country, most of them in the Tory party, there was by 1946 when my friend, the hon. member for Essex East introduced that historic bill, a general consensus among the Canadian people that we wanted to have an undoubted status as Canadian citizens. I think even those residual colonials that were once in the Tory party are nearly extinct now.

Mr. Martin (Essex East): There are two of them left.

Mr. Pickersgill: There may be one or two of them left, but when I hear the Secretary of State for External Affairs, that old colonial, travelling around the country talking about independence, I realize that even the Tories have made some progress.

I think my friend, the hon. member for Laurier, was right in drawing attention to the statement made by the Prime Minister on April 12 on the television program "The Nation's Business", because that statement was not true. It cannot be fobbed off by saying it has something to do with racial origin. The Prime Minister said that, for the first time this government is allowing people to declare themselves as Canadians. That is not true. The first time individuals were allowed to declare themselves Canadians without any doubt of that status was when the Canadian Citizenship Act was brought into force in 1947, and that was reflected in the census questionnaire of 1951, as my friend the hon. member for Laurier has pointed out, which contained in respect of citizenship the word, "Canada". So that statement made by the Prime Minister was not true. That program is supposed to be the nation's business, not the nation's misinformation. It is impossible to believe that the Prime Minister was so unaware of the facts that he could have made that statement inadvertently, although I hope he did. At any rate, I repeat, that statement is not true.

What is true is that this government misguidedly and at considerable expense to the taxpayer, had printed a lot of forms which have had to be withdrawn and reprinted. While it may be that in technical language the question may now be a little better than it was in 1951, the actual meaning of the question is precisely the same. This government misguidedly tried to do something different and found that it had made a terrible boob. There was violent protest against what it did and, as a result, it did precisely that which was done by the Liberal government in 1951. We are very pleased that the government did this, and we commend hon. gentlemen opposite for their judgment in doing so. There is no controversy about this in the house now except for those extraordinary excursions into the realm of fancy and fantasy—the extraordinary "vols de pigeons" made by the hon. member for Joliette-L'Assomption-Montcalm.

Mr. Peters: Mr. Chairman, I am always confused about this racial origin question, and sometimes the hon. member for Port Arthur makes suggestions in this regard which I do not understand. I am pleased to know that the hon. member for Bonavista-Twillingate is also in the same category as myself in not having the same mental capacity as the member for Port Arthur. Sometimes we just do not understand what he is saying. This is not his fault, it is ours.

Mr. Pickersgill: It is ours?

Mr. Peters: I am also concerned over the fact that this little group should be attacked all the time.

An hon. Member: You are not objecting.

Mr. Peters: We are not objecting to it very strenuously but it seems surprising that many times we find ourselves in the position of being the opposition of not only one government but two, namely the one we had before and the one we have now. We will bear up under the strain, although at times we find it amazing.

If I can speak only for myself, may I say I am very happy over the fact that we are able to declare our Canadian origin. Also, I am not in complete disagreement with the fact that we are able to indicate what is our ethnic origin, but I think it is a very misleading question to most of us. I think there are really two kinds of people in the world, namely those who are Irish and those who would like to be. Those of us who do not know what we are immediately put down that we are Irish, anyway, and probably this is the reason why the number who declare themselves as of Irish ethnic origin is so large.

Mr. Small: That gives you at least a bit of respectability.

Mr. Peters: I agree that it is probably not the main part of my ethnic origin, it is only a very small part. But it seems to me that some of our claims to origin are rather ridiculous. I had an opportunity to observe this because I worked with a chap at one time who would have told you that he was French. When you checked you found that he was born in Mont Laurier, but his father was a Scotsman and did not speak much French, particularly when he got drunk. At that time he could not say anything in that particular language. The children were raised to speak French. I presume there was a bit of understanding among the family because they did learn some English as well. If you asked that man what was his ethnic origin I am quite sure he would have said French; but they were not French at all. His name was MacMillan. For reasons which we need not go into, for a time he called himself St. Amour and it was a somewhat appropriate name at the time because he spoke English rather badly. This was no fault of his. Until he reached a late age he had spoken only French.

Before very many years go by there will be people who will claim they belong to this ethnic origin or to that, but they will not have my particular background. I think it is true to say, and it will be more true as the years go by, that most of us have not the faintest notion what would be the predominant origin if we were honest about our ethnic origin. I do not think there has been any new blood introduced in my nationality on either side in Canada for five generations. It is so mixed up that I think it would be rather difficult to know—

An hon. Member: You are inbred.

Mr. Peters: We are really not inbred but we certainly are Canadian and are very proud and happy to have this opportunity of declaring it.

I have not seen this year's census form and I should like to ask the minister whether it is similar to the forms which asked various questions about property, the location of property, whether you were in agriculture, how many cows were on the farm, and that sort of thing?

Mr. Hees: Yes. I have sent over to the hon. member a copy of the census form, Mr. Chairman. It is very similar to the form of recent years. Some changes have been made, of which all hon. members have been made aware.

Mr. Peters: This is exactly what I thought it would be. For this reason I want to raise a problem. This problem was raised yesterday in another context, and it is one that I had a great deal of difficulty in following. When I finish discussing it the hon. member for Bonavista-Twillingate will be able to understand as I do, even though he may have been confused yesterday. It relates to this matter of appointing census people.

I have no particular interest in who are appointed from my riding as census commissioners. I should like to read what has been said because I think the parliamentary secretary confused the situation considerably in the minds of the Canadian people when he answered several questions. I should like to refer to the question which was raised on March 29 and which is to be found on page 3445 of *Hansard*. The question was asked by the hon. member for Nickel Belt, and reads as follows:

1. Are workers being recruited at present for the taking of the census?

2. If so, what method of recruitment is used, and are local offices of the unemployment insurance commission asked to provide personnel for census taking?

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): Mr. Speaker, many thousands of Canadians will be employed in the important national undertaking of the 1961 census of Canada this year. Several hundred are being recruited by the civil service commission of Canada to augment regional office staffs of the dominion bureau of statistics across Canada and the head office at Ottawa, and in this phase of the work the commission is following its customary relationship with the national employment service. In addition, some 1,300 commissioners and 27,000 enumerators will be required. The time allowed for replies to starred questions is not such as to permit a detailed description of this procedure, but the house will be interested to hear that this is one of those not too common occurrences in which the present administration is following the same procedure as that followed in the 1951 census of Canada.

Mr. McIlraith: That is not right.

The hon. member went on to qualify it and said:

The present system of appointing a number of commissioners for each electoral district was one with which I had no association whatever.

The reason for that was that only one was appointed at that time rather than four. I am pointing out that in this relationship there was a good reason why it could not have been the same. One of the reasons was that at that time Liberal candidates had the unhappy faculty of getting elected most of the time and there were not so many candidates in the position in which we find some of them today.

We find that questions were asked and raised on three or four occasions. The hon. member for Port Arthur raised the matter on March 29. It was raised again on April 16 by the hon. member for Kootenay West. The question raised, and it has been confused, is that now there are four commissioners who are not really census takers but are responsible for the appointment of the census takers, and they will be in complete charge in a particular area, and they will be responsible for that area.

I should like to take a look at my own particular area by way of illustration. In fact, let us look at two areas with which I am quite familiar, namely my own riding of Timiskaming and the electoral district of Timmins. I hold in my hand a release of the list of census commissioners appointed, to be released at 8.00 a.m. on April 11, 1961. On page 16 we find reference to Timiskaming and the first commissioner is stated as being Mr. C. Foster Rice, Haileybury, Ontario. Mr. C. Foster Rice was the Conservative candidate in the last two federal elections. He is very interested in politics in my area and he is capable of operating a political machine, as he has proved on several occasions. By no stretch of the imagination is he politically disinterested in the results of the census or in any other results in the riding of Timiskaming.

Reference is then made to Mr. James Aubrey Waterhouse, Elk Lake. Mr. Waterhouse has been Conservative organizer in that area for many years. He has great capabilities. I can visit Mr. Waterhouse before an election and find out within three votes how many votes I am going to get and how many votes all the other candidates are going to get. He knows exactly where they stand. He is by no means a disinterested political observer in my area.

Mr. Chambers: He knows the district pretty well.

Mr. Peters: He knows the district inside and out, and after he has finished this job he will know what everybody in that area earns, what they own and many other particulars.

Then there is Mr. George M. Hodgson of Englehart to whom reference is also made. I suggest the reason his name is there is that his wife is the president of the Timiskaming riding Conservative association. By no stretch of the imagination is he a disinterested and impartial observer of the political or economic scene in the riding of Timiskaming. Mr. James R. McDougall of Kirkland Lake who is mentioned next is and has been for many years connected with politics in an active way and cannot be declared to be an impartial observer of the political scene.

An hon. Member: Did you recommend him?

Mr. Peters: Obviously I did not recommend him. If I had been asked to do this I would have recommended people who are as impartial as possible.

Some hon. Members: Oh, oh.

Mr. Peters: Let hon. members not laugh because this is no laughing matter as far as I am concerned. The people of my riding are to be asked all these questions and I take violent exception to these political appointments being made for the obtaining of this information. I would suggest to anybody in Timiskaming who has any political sense at all that they do not answer any of these questions because the information will be used against them in a political way in the future. This information is advantageous to a political party for political reasons and there is not going to be the secrecy there should be with regard to the answers to the questions that are asked on this page. They are quite detailed and particular questions.

I suggest that no one should laugh at this matter. People of the greatest impartiality

are required because it is essential that the answers to the questions be completely honest. Conservative members can laugh all they like. Canadians are going to have to spend a lot of money to conduct this census and I am sure they want to get the most impartial, accurate and complete picture possible. I suggest that anyone who gives information of this sort to some of these political hacks is stupid, and I do not believe the people of Timiskaming are stupid.

Let us take the riding of Timmins with which I am fairly familiar. The first names here are Mrs. Hilda Weir of Matheson and Mr. Charlie Shields of South Porcupine. I will not say anything about Mrs. Weir. If she had been listed under her husband's name I might have known her but I do not know her by her own first name and therefore am not going to comment. Mr. Charles M. Shields has been mayor of South Porcupine and a staunch Conservative for many years. He is in a position to know almost everybody in the area personally. He has been there for many years, and while I am not prepared to say that he has been closely enough connected with the operations of the Conservative party in that area to cause me much grief I am not quite sure that the same thing would be true of the hon. member for Timmins.

Mr. Thomas Gregory Carswell of Timmins is also a well known and outspoken Conservative. He has attended Conservative conventions in that area for many years. His family has been closely connected with the nomination of candidates and in my opinion he is in a position to make political use of this appointment.

The last name in area D is Mr. J. Emile Brunette. Again, who could be appointed from the Conservative party who would be closer to the political scene than J. Emile Brunette? He was not always a Conservative. He could have had this appointment as a Liberal because he ran as Liberal candidate several times and as the mayor of Timmins for several years was well known as a Liberal. However, in recent times of changing environment in the town of Timmins he became a Conservative and ran as a Conservative candidate in the last election against the sitting member for Timmins. Perhaps he might have been elected as a Liberal but after a person changes his party it is very difficult for him to be elected.

Each of these appointments has been a political one. I do not know what the government thinks about it. I do not know why the government should have done this. It is interesting to note that Mr. Grosart was in my area and disrupted the town council, probably resulting in the resignation of the mayor of the town. Certainly there are going to be some other changes. Mr. Grosart made several important statements, but I suggest that the reason he was there was to talk to these people about the appointments that were to be made.

I suggest that if you check the Toronto papers you will find that in the last few days there has been speculation that there can be no by-elections in Ontario this year because the whole Conservative machine will be engaged in conducting the census and will not have the time to run by-elections. This is true in my part of the country although we do not need a by-election. Certainly looking at this list it is evident that the whole hierarchy of the Conservative party is engaged in the census.

Mr. Charlton: No, there are many more than that.

Mr. Peters: I do not think so. In my riding we have the president, the candidate and two of the regional directors. There are only about four others and I presume they will be compensated by being appointed to take part in conducting the census. We will have the whole hierarchy in the area participating.

I am not questioning the ability of these people because they all have proven ability. All I am questioning is how you can obtain impartiality when you have people going around taking the census and politicking at the same time. Goodness knows, they are no different from us. We do not visit a dozen or two dozen homes without somebody inquiring about the situation in relation to the price of wheat or whatever the matter may happen to be.

These people will be politicking more than they will be taking the census. I say it is damned irresponsible of the government to try to conduct the census through the use of a political party machine. I agree entirely with the member for York-Scarborough that this is irresponsible. I do not think there could be anything more irresponsible than to use a political machine for this job. I would much rather have civil servants do the job. However, I think there are enough capable people who are sufficiently impartial that they would have no reason to divulge or to use the information obtained through this form. There are many people in my area who are impartial, even, surprisingly and unfortunately, with regard to politics. They are responsible people and they would be in a position to conduct the census. I am thinking of teachers who will not be engaged after the end of June, university students and other people who are unemployed.

Mr. Charlton: They are not unemployed.

Mr. Peters: That is perhaps true. I stand corrected. They are not unemployed but they are not working at their normal jobs and are available to do this type of work. Many of the questions asked are very technical and complicated and teachers would probably have more success in having them answered than the plain ordinary politicians who will be conducting this survey in the ridings of Timiskaming and Timmins. If we are to be expected to permit these things to be done, then we are going to have to be given some assurance that there will be impartiality.

How many of my farmers are going to be asked a lot of pertinent questions about their farming operations? How many of them are going to like it if they know a political candidate is going to see all these figures and is going to know how they stand in relation to their business? We do not know, and it is just an assumption that the census is going to be completed as it has been completed in the past. I am strongly advocating, Mr. Chairman, that not only the people of Timiskaming but the people of Canada take a very close look at this matter before they answer any of these questions that are of a technical nature which have a bearing on their business or occupation. These answers could be used and will be used against them or for them, or at least if any political candidate wishes to use them they will be used because the answers will be observed by a political candidate.

I believe this government should be asked these questions which I put to this minister of the government through you, Mr. Chairman. Will you publish all this information? Will you take the names of the people and publish the information on a riding basis so that I can see what John Smith owns or how many cows John Smith has? Will you publish this so everyone can see this information? If you answer that you will not, then I suggest you have no right, in all decency, to allow this information to be seen and to be examined by people who are dedicated to a political party. I do not believe this is an unreasonable stand. I think we have a right to some impartiality in the commissioners. We are well aware of the fact that at the bottom level, that is the level at which the information is secured, there will be people who are interested in politics. I have no objection to that. However, I have great objection, Mr. Chairman, to this being done by those people who are in a position to use this material for political purposes.

I believe the Canadian people, and certainly the newspapers of this country, should be violently upset about this. The newspapers should request some type of protection for the Canadian people. Some of this information does not even appear in income tax forms. If it is going to be asked for, then the government will have to respect the secrecy. There should be an assurance given to the people that the government is not going to secure this information through the people it has appointed. I have suggested that the four commissioners appointed in my area are all political people, people who are not only conscious of politics—as we wish everybody to be —but are actively engaged in working with one political party. They have been appointed and are being paid as political patronage. This is wrong. I do not believe this situation is conducive to the judicious handling of the census and will not result in the full and reasonable disclosure of the business of each and every one of the Canadian people.

If there is to be impartiality, then I am sure the minister will get up and say he is sorry, that he did not go around and collect these people, but that the national organizer of his party did. He will say he disagrees with this practice and it should not be part of the political campaign for the next election, as it so obviously is. If the minister believes in obtaining these figures in an impartial manner, then I am sure he is going to stand up and say he disagrees with the appointment of these people if it can be proved that these facts are true.

Mr. Hees: I think we have just heard one of the most irresponsible statements heard in this chamber for a long time. This is the kind of speech you expect to hear in a place other than the parliament of Canada. I am rather shocked that the hon. member should have delivered such a speech. According to the hon. gentleman, you cannot trust anybody in his riding but him.

The people who have been chosen to carry out this most important task of taking the census are very highly respected people in all parts of the country, otherwise they would not have been chosen. They have been chosen on the basis, first of all of a good education; professional or business experience in a supervisory capacity; knowledge of the district; tact; good judgment and ability to deal with the people.

The hon. member has spoken about the matter of secrecy. If we can believe what he says, the information that these census takers have been gathering will be used only for their own information, for their own, personal gain. This is one of the most ridiculous statements I have ever heard, and I have heard quite a few. This matter of secrecy is dealt with in the Statistics Act. I should like to quote from section 15 of that act, as follows:

No individual return and no part of an individual return made, and no answer to any question put, for the purposes of this act, shall, ... be published ...

It has been mentioned, too, that the census taker takes an oath of secrecy. An oath of secrecy is a very serious matter. It is not something people take lightly. The people who have been chosen are serious and respectable people, and when they take an oath of secrecy they are doing so in a very serious way.

I should like to mention the penalties that are imposed on any of those who are census takers and who break these regulations so far as secrecy is concerned. The penalties are outlined in section 34 of the Statistics Act as follows:

Every person employed in the execution of any duty under this act or any regulation who,

(a) after having taken the prescribed oath, deserts from his duty, or wilfully makes any false declaration, statement or return touching any such matter;

(b) in the pretended performance of his duties thereunder, obtains or seeks to obtain information that he is not duly authorized to obtain; or

(c) fails to keep inviolate the secrecy of the information gathered or entered on the schedules and forms, and who, except as allowed by this act and the regulations, divulges the contents of any schedule or form filled in, in pursuance of this act or any regulation, or any information furnished in pursuance of this act or any regulation; is guilty of an offence and is liable, on summary conviction, to a fine not exceeding three hundred dollars, or to imprisonment for a term not exceeding six months, or to both fine and imprisonment.

I think I have outlined very clearly the qualifications of these people. I think I have made it clear that they have been chosen with great care. They are very highly respected people in their communities. They are given a very strict code of ethics to guide them in the performance of their duty. If any of them should not perform that duty properly, there are penalties prescribed. As I say, they are all required to take an oath of secrecy. People of the calibre of those who have been chosen to carry out this important task take an oath of secrecy as a serious matter.

I do not believe I have to deal with this matter any further, Mr. Chairman. I think the remarks of the hon. member were in extremely poor taste. I think the hon. member is casting a reflection, in a completely unjustified way, on the very fine people across this country who are going to be carrying out a very important task indeed. I can assure the hon. member and the people of Canada that in my view this census will be taken well and none of the things which dwell in his imagination will take place.

If there is any instance of anything of this kind taking place, there are very definite rules, regulations and penalties prescribed for them. I very much hope that none of these penalties will be needed. I do not think they will.

I hope we will not again hear this kind of speech from the hon. member or any other hon. member. The hon. member's remarks were derogatory and unfair to those people who are chosen to carry out such an important task in the future.

Mr. Peters: Mr. Chairman, I wish to make it very clear that I have no reason to cast any aspersions on any of these people.

An hon. Member: Then don't do it.

Mr. Ricard: Shut up then.

Mr. Peters: If the aspersion is that they belong to a political party and are very actively engaged in that political party, then I make it.

Mr. McGee: You made a specific allegation that these people will break their oath. The record will show that.

Mr. Peters: I certainly make no allegation that they will break their oath.

Mr. Hees: You did.

Mr. Peters: I said they would use this information and obviously they will. They will have to use it.

Some hon. Members: Oh, oh.

Mr. Peters: Let us not split hairs, Mr. Chairman. Let us make it really clear. I am not saying they are going to assemble all this information and use it as a report, or anything of that nature.

This is exactly what I am saying, that through this they are going to gain knowledge of certain things that many people would not tell them under other circumstances. If I am making any allegation, it is against the political party's organization that will set up this type of census machine.

My allegation is not against these people. I know many of them. I agree entirely with the minister that they are highly qualified, very capable people and they have integrity. I know all the people I mentioned in my riding and I have great respect for their ability. I also know that the information they get will be of some assistance to them, as it would be to anybody else, as even the published section of this document will be of value to each and every hon. member of this committee who takes the trouble to read the census in its general form.

I want to make it very clear that I do not cast aspersions on these people, but only on the system of appointment which allows

only one political party to be chosen in an area, and because this is the criterion of choice in that particular area.

Mr. Hodgson: It is probably because nobody in the C.C.F. qualifies.

Mr. Peters: I do not suggest that supporters of the C.C.F. be chosen either. I think there are many people who could be chosen. I have outlined one category of people who could be chosen for this work, which would not result in this type of action.

On previous occasions when the census was taken in my area, this was done. I very seldom, if ever, have to give credit to the Liberal party for being politically impartial; but so far as I know, this was done in the last census.

Some hon. Members: Oh, oh.

Mr. Ricard: You can say that again.

Mr. Peters: This was done in the last census in my particular area. I know several of the people who were closely concerned with it. I do not know their political backgrounds, and I do not think this was the reason it was done. In spite of the assurance the minister has given, I still think some consideration should be given to this matter, and this census should not be one of the government's political patronage machines. This government has an excellent record of disposing of patronage. It has disposed of political patronage in many, many fields—I say this in all fairness—in which people previously enjoyed political patronage. I think this government is hurting itself as well as the operation of this census taking in pointing out to all the people across the country that political patronage is the basis upon which appointments are being made on this occasion.

Mr. McGee: Mr. Chairman, I wish to say a few words, just to clear the record, on the point the hon. member raised. The hon. member made specific allegations concerning certain persons in his district who have been appointed to these posts. I suggest to the hon. member—and perhaps some hon. members in this committee can give me guidance in this—that if he made that type of statement against these people outside the house, it would be libelous.

The minister read the specific terms of the oath, and the hon. member alleged that these people would take certain action with the information they obtained, which would be completely contrary to that oath. The hon. member has indulged in character assassination of individuals in his constituency and census takers across this country.

Mr. Peters: Mr. Chairman, in reply to the remarks of the hon. member, I note that this kind of statement was made two or three days ago in this chamber by the same hon. member with probably no greater justification than today. I am quite happy to await the result of the record of the discussion today to ascertain what the situation is.

Mr. Herridge: Mr. Chairman, I just want to say a few words. I want to support a statement made by the hon. member for Timiskaming. From experience in my own constituency I can say that in the appointment of census commissioners during the last election by that government there were members of two different political parties. Also, members of all parties were appointed, so far as I can recollect, as census enumerators. I think they were quite fair in that respect.

We have discovered the reason why no C.C.F. members have been appointed. The hon. member for the Ontario riding of Victoria frankly said that the government does not think they are qualified. I do not know whether the same applies to the Liberals. We can say definitely that the government does not think any of the C.C.F. party in Canada qualify to act as census commissioners. We had that fact established from the words of the hon. member.

Mr. Hodgson: I did not say any such thing. I did not mention the government, or any government.

Mr. Herridge: You said "we".

Mr. Hees: Mr. Chairman, if I may clear up this matter, as I heard it the hon. member for the Ontario riding of Victoria, said, "Probably no C.C.F. qualify".

Mr. Herridge: No, he said "we".

Mr. Hodgson: I did not; I said "probably".

Mr. Herridge: I may have misheard, Mr. Chairman. However, in my constituency the census commissioners are all Conservatives, and they are excellent people; I know them all. But my point was this. First of all we have among Conservatives—who have brought this to my attention as well as others—and among members of other parties, persons who are capable, qualified and who could very well do with this $1,200 for six week's work.

This is our argument. It is not whether they should be Conservative, or what their politics should be. For instance, in my constituency two of the gentlemen appointed—they are excellent persons; I know them well; they are highly respected—are members of one of the most successful legal firms in the district. But there are, shall I say qualified and competent Conservatives who would just love to have the opportunity to supplement

their income, which in many cases is very small at the present time, by $1,200 for six week's work.

As the hon. member for Timiskaming said, the government can be given credit in many quarters for its opposition to the practice of patronage. The former minister of public works was an excellent example. One knows the pressure which is exerted. We are all human, and after a party has been out of power for 20 years it is quite human to get your own friends into these positions where possible.

Under normal circumstances this would possibly not draw so much criticism, but under the present circumstances, when there are people who need this extra bit of work both as census commissioners and census enumerators, I say we have to look at it as Canadians and not as partisans.

My concluding words are that I do hope the census commissioners will be instructed to appoint as enumerators capable, competent persons, regardless of politics, who need this extra income during these very difficult times.

Mr. Thomas: I think this is an opportune time for the Minister of Trade and Commerce to assure the members of this committee and thus the people of Canada that the information to be gathered during the course of the census will not and cannot be used for the purpose of computing income tax. There have been some fears expressed along those lines by the people in my area and I believe that any assurance which can be given by the minister and by the government, and strongly emphasized throughout this country, would have the effect of reassuring the people when the census enumerators come around to gather information.

Mr. Hees: I am glad to assure the hon. member and other members of this committee that the information deriving from the taking of the census cannot be used for income tax purposes or for the enforcement of any law or bylaw. This information is strictly for use of the dominion bureau of statistics.

Mr. Pickersgill: I have one question to ask. Is it not true that recourse is had to this information for the purpose of ascertaining the date of birth for the purpose of old age pension payments, for example, if no other means is available?

Mr. Hees: I am advised that individuals can have access to the record of their birth date, but nobody else.

Mr. Martin (Essex East): I think the minister will not mind my correcting him by saying that where an individual applies, say, for an old age pension and there is some dispute as to age, the old age security division of the Department of National Health and Welfare exercises the right which it has under the statute, on assigned authority, to examine the records of the bureau for the purpose of obtaining information as to the age of the applicant.

Mr. Hees: I think that is, in effect, what I said.

Mr. Martin (Essex East): The minister must not resent my helping him.

Mr. Hees: I always welcome help from the hon. member for Essex East. Information as to a person's own birth date can be given to him or to somebody else on his signature.

Item agreed to.

National energy board—
401. Administration, $544,970.

Mr. Thomas: On item 401, I have recommended action on other occasions to permit the amendment of the National Energy Board Act by incorporating in it section 273 of the Railway Act. When the National Energy Board Act was passed in 1959, section 273 of the Railway Act was omitted. The National Energy Board Act includes sections 207 to 246 and section 248 of the Railway Act but section 273 was omitted. The sections of the Railway Act which were included in the National Energy Board Act deal with the acquisition and expropriation of land for purposes of right of way.

The amendment would make pipe lines at present under federal charter subject to provincial drainage laws in the same way as pipe lines which operate under provincial charter. Pipe lines involved in municipal drainage schemes would be treated like those of any other property owner, being subject to assessment and so on. Their owners would enjoy the right of appeal to the courts if they wish to have such assessments adjusted. Owners of pipe lines would be made responsible for any added cost to a municipal drainage scheme caused by their presence or operations.

The provisions which are requested to be incorporated in the Railway Act would be of great assistance to individual farmers and municipal drainage schemes especially in the area of southwestern Ontario which I represent. This proposal to include section 273 of the Railway Act in the National Energy Board Act came to me from the drainage engineering firm of Archibald, Gray and McKay of London on behalf of the township of Adelaide. This request has been endorsed by the association of Ontario land surveyors,

by the Middlesex county council, by the Ontario minister of highways acting in his capacity as chairman of the special committee of the Ontario legislature which was set up to inquire into expropriation proceedings for land in Ontario, by the township of East Williams, by the Ontario federation of agriculture and by the township of London, Middlesex county.

I intend to let one or two of these endorsers argue the case for me. The association of Ontario land suveyors at its meeting held in Hamilton on February 15, 16 and 17, 1960 passed a resolution endorsing this proposal. May I say that this association is an important body whose members undertake the engineering in connection with most of the drainage work carried on in the province of Ontario. I intend to read an excerpt from the report of this annual meeting. It refers to a question which is the second of a series of questions placed before the meeting for endorsation by the drainage committee of the association. The excerpt reads as follows:

Mr. Stidwell: The second question is rather involved, and I shall try to explain the question before I read it. Under subsection 22 of section 8 of the Municipal Drainage Act, public utilities are responsible for the increased cost of drainage work caused by the construction and operation of such public utilities. There is some doubt as to the application of this subsection where a public utility holds a dominion charter. Railways were made responsible for the increased cost of a drain caused by the operation of the railway company by an amendment to the Railway Act early in the twentieth century—see section 273 of the Railway Act. Recently we have had a number of oil pipe lines and gas pipe lines constructed across our province, and a number of these pipe line companies operate under a dominion charter. So we are up against the problem: are these companies responsible for the additional costs of drainage work caused by their operations? Certain sections of the Railway Act were incorporated in the Pipe Lines Act, but this all important section 273, which made the railway companies liable for the increased cost in drainage work, was omitted. Last fall the National Energy Board Act was passed, and section 71, subsection 1 of that act, incorporates sections 207-246, and also section 248, of the Railway Act but this all important section 273 was left out.

The question now is: "Should section 71, subsection 1, of the National Energy Board Act be amended by the addition of section 273 of the Railway Act to read—'Sections 207-246, 248 and 273 of the Railway Act'; in other words should these pipe line companies be responsible for the increased costs to drainage work caused by their operation?" The committee's answer to this question is: "Yes". And we would recommend that this association go on record as being in favour of this amendment to the existing legislation. I move the adoption of the committee's answer to this report with this request.

Later that report was adopted at the annual meeting of the Ontario association of land surveyors.

In addition to that I would like to read a letter directed to the former minister of trade and commerce, now Minister of Veterans Affairs, written by Honourable F. M. Cass, the minister of highways for Ontario. This letter is dated August 22, 1960 and reads as follows:

At the last session of the legislature of Ontario a select committee was appointed to investigate and inquire into the laws of expropriation in this province. I have had the privilege of being appointed chairman of the select committee and it is in that capacity that I wish to bring to your attention a problem which was placed before the select committee.

I am advised that a submission has been made to you by W. H. A. Thomas, Esq. the member of parliament for Middlesex West, requesting that the National Energy Board Act be amended so as to make section 273 of the Railway Act of Canada applicable to pipe line companies incorporated under the provisions of federal legislation. As you are probably already aware, the above mentioned section of the Railway Act would make the pipe line companies responsible for any interference with drainage in the provinces as are any railways, public utilities or other such bodies; the problem would appear to be so reasonable that one would almost think that the omission was accidental rather than intentional. The interference which may be created in both municipal and provincial drainage schemes by the construction of a pipe line is very serious and can in certain circumstances cause great expense to both local land owners and the ratepayers of the province.

On behalf of the select committee may I urgently request that this proposed amendment receive your favourable consideration and, ultimately, submission to parliament for its consideration.

We have the anomalous situation in Middlesex West of four pipe lines crossing the riding, three operating under Ontario provincial charter and one under national charter. In respect of the three, when a farm or municipal drain has to be carried across the pipe line the pipe line company is compelled to pay the cost of such crossing. However, in respect of the fourth, which operates under federal charter, the pipe line company does not have to pay for the crossing. The practice of the national energy board has been to award these crossing permits with the expense to be borne by the municipal drainage authority. I should mention that costs of drainage crossings have run as high as $7,000 to $8,000 each. I would suggest that it is unreasonable to have pipe lines in one area operating under similar conditions treated in different ways.

Without taking any more time I would urge upon the minister the necessity for expedition in the consideration which is now being given this matter by the national energy board, and would suggest that an amendment be made to the National Energy Board Act incorporating section 273 of the Railway Act.

Mr. Hees: Mr. Chairman, I can assure the hon. member that I will report his suggestions to the energy board members, two of whom are sitting with me now, and that I will give more attention to this matter than is being given to it at the present time.

Supply—Trade and Commerce

Mr. Chairman, may I also take this opportunity of seeking permission to place on the records of *Hansard* a table showing the comparative sales of salted cod which the hon. member for Bonavista-Twilingate requested earlier this afternoon?

Mr. Pickersgill: Mr. Chairman, I am very grateful to the minister for having this prepared so expeditiously and for his courtesy in letting me have an extra copy of it. I am sure it will be very helpful.

The Chairman: Does the committee consent to having this document printed at this point in the proceedings?

Some hon. Members: Agreed.

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

Stocks of salted cod as of March 31st, 1961, are as follows:

wet salted cod	14,485,000 lbs.
dried salted cod	14,919,000 lbs.

Exports of salted cod in calendar years 1958, 1959, and 1960 were:

Wet salted cod (over 45 per cent moisture content)

	1958		1959		1960	
	Quantity	Value	Quantity	Value	Quantity	Value
	lbs.	$	lbs.	$	lbs.	$
Italy	—	—	2,524,000	246,000	4,713,000	412,000
Portugal	—	—	5,122,000	408,000	4,473,000	467,000
U.S.A.	4,188,000	481,000	4,135,000	483,000	3,163,000	572,000
Other	272,000	36,000	1,526,000	133,000	1,356,000	124,000
Total	4,460,000	517,000	13,307,000	1,270,000	13,705,000	1,575,000

Dried salted cod (under 45 per cent moisture content)

Barbados	2,084,000	294,000	1,888,000	267,000	1,931,000	293,000
Jamaica	13,048,000	2,125,000	15,096,000	2,532,000	15,394,000	2,484,000
Trinidad and Tobago	3,996,000	664,000	2,994,000	514,000	2,960,000	537,000
Leeward and Windward	3,427,000	497,000	3,248,000	498,000	3,594,000	569,000
Brazil	1,718,000	308,000	2,366,000	522,000	126,000	22,000
Cuba	10,648,000	1,867,000	12,291,000	2,307,000	8,323,000	1,573,000
Haiti	1,300,000	252,000	740,000	152,000	865,000	184,000
Italy	4,082,000	763,000	4,397,000	688,000	2,104,000	411,000
Portugal	3,374,000	527,000	2,422,000	442,000	2,046,000	373,000
Panama	1,057,000	215,000	284,000	58,000	359,000	75,000
Spain	5,283,000	918,000	1,236,000	222,000	4,681,000	839,000
Puerto Rico	24,744,000	3,571,000	13,825,000	2,114,000	18,604,000	2,953,000
U.S.A.	3,956,000	735,000	4,037,000	776,000	3,771,000	752,000
Other	1,633,000	268,000	1,565,000	245,000	1,032,000	181,000
Total	80,350,000	13,004,000	66,389,000	11,337,000	65,790,000	11,246,000

Mr. Smith (Calgary South): Mr. Chairman, I should like to take a moment of the committee's time to say a word about the energy board itself. I should like to congratulate the members of that board and the chairman, as well as its staff, for the manner in which they have carried out their function since the board's establishment. Their success is certainly a great credit to themselves and to the system which was introduced in the establishing of the National Energy Board Act. I know that all hon. members of the committee, as well as members of the petroleum industry and consumer alike, agree that this has been a very successful operation.

I am sure the minister is aware that in a very short time the term of office of the present chairman of the board will expire. I believe that office of the present incumbent carries a two year term. I do not suggest that the other members of the board are not capable of replacing the present chairman but, in the interest of the board and in view of the chairman's past experience, I suggest it would be desirable that the government negotiate with the province of Alberta so that Mr. McKinnon's appointment can be extended for another two year period. I realize that there are difficulties in this connection but I am sure the members of the board would be the first to concur that this would be a good step.

I would like to say a word about the national oil and gas policy which is adminis-

tered by the board. I had the privilege in 1957 of expressing in this house the hope that I would some day see the establishment of a national oil and gas policy, and the development of a program which would encourage the industry to voluntarily correct its own problems by increasing the domestic and foreign markets for Canadian crude oil. This government's administration in this regard adopted the lesser of two severe policies, on the one hand to take no action at all and allow the industry to find its own level, or to establish fairly severe control for imports of oil. While I have always advocated the eventual construction of a pipe line, I nevertheless agree that the course followed by the board in introducing a voluntary program is more appropriately suited to the present need. As has been pointed out, this program will provide a level of production, in terms of barrels that the construction of a pipe line would produce in the two year period yet to elapse.

What I do ask the minister and the chairman of the energy board, however, is that when they are making assessments in the future for targets beyond 1963, they make the calculations well in advance based on the returns of oil company refineries. We should keep in mind the factor of growth which is going to be substantial; for I am inclined to believe that while the present policy has been a sound one the targets were perhaps a bit low. Nevertheless there is no question that the policy as such has provided tremendous benefits to the industry, first of all by providing orderly regulation of oil production in the producing areas by establishing, of course, firm contracts for the marketing of oil not only in Canada but in terms of United States markets as well.

It has been said in this house and outside that to some degree this policy is going to be dependent on our success in moving oil into the United States. I hope that this is not entirely true, but quite obviously if the policy is to be successful it will have to work on the assumption that we are going to be able to sell more oil in the Ontario market and thus replace crude oil from foreign sources. I am happy to be able to say that indications are that the Ontario market has shown the largest increase we have seen for some time, an increase of 20,000 barrels a day over the same period one year ago.

What is also particularly significant is that many people who said that this policy could not work now agree that it is not only going to work but it has already proved successful in terms of total production. The first six months indicate there is no doubt that the target will be reached. In fact we are not too far off the total target for the year. Therefore, I say to the minister that he and his colleagues should be congratulated on introducing a policy which in the long run is going to assist the industry. I say to him that in making assessments for the future, in so far as targets are concerned, we must be absolutely certain that we relate the total targets to the development of the industry and that we do not in any way underestimate this development and thus make the targets for the future too low.

The other point I should like to make is that there are a number of areas which concern the government's relation to the petroleum and natural gas industry. In the Department of Mines and Technical Surveys we have a very effective geological survey. The Department of Northern Affairs and National Resources administers legislation and regulations relating to Canadian oil and gas. I will argue, as I have done before, that in this parliament we should attempt to put all of these matters having to do with hydrocarbons, in fact all of the energy sources, under one department and one administration to avoid duplication of effort and to be able to build up a staff which can adequately look after the problems related to the industry, because I know some of the difficulties in obtaining staff for the national energy board and, of course, for the Department of Northern Affairs and National Resources. I would hope that some day we shall see the national energy board having authority over the Canada oil and gas regulations; for it would only seem logical that this phase of the oil development program should come under one particular division.

I wish to make it very clear that I am not suggesting any minister of the crown have the responsibility for all of this; I am merely saying that we should give some thought to taking all the segments of the petroleum and gas industry and putting them under a single responsibility, as has been done in a great many countries similar to Canada.

Finally, may I say to the minister and to the board that I am certain when the minister expresses his belief that this policy could work he should nevertheless emphasize that if the targets are not reached the government will have no other course but to, as I understand it, implement section 87 of the energy board authority. This is indeed assurance enough to the petroleum industry and the people of Canada as a whole that the government intends to make its policy work and in this we congratulate the minister and wish him every success.

Mr. Broome: I wish to take about one minute to reinforce many of the points made by

the hon. member for Calgary South and also to say how much we owe the minister for having taken a firm stand in regard to quotas set for the oil and gas industry. I think the results that have been produced occurred only because the industry knew that the minister was not fooling and that they were going to reach those targets or quotas would be imposed. It was only when they came to that conclusion that they started to give the co-operation that has been evident and has resulted in such a major increase in oil production in Canada.

The minister deserves the highest credit for having made the position of the government crystal clear in this regard and for having gained the co-operation of the industry to the end that we would get a fair share of our own market and have exports to compensate in some small way for the imports which we are accepting.

Item agreed to.

The Chairman: This completes the estimates of the Department of Trade and Commerce. We shall now turn to the estimates of the Department of Northern Affairs and National Resources.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

279. Departmental administration including Canada's share of the expenses of the "resources for tomorrow" conference, $1,105,390.

The Chairman: This item will be found on page 57 of the blue book, and the details on page 398.

(Translation):

Mr. Regnier: Mr. Chairman, on April 21, I think it was, I was just on the point of quoting an excerpt from the fifth volume pubished by the Societe historique de Saint-Boniface when the chairman called it five o'clock.

I am speaking in French tonight because the other day, the brief remarks I made in English were ascribed to the hon. member for Burnaby-Coquitlam (Mr. Regier) and since the hon. member speaks only one language, I do not think there will be any mistake this time.

The excerpt I wanted to quote the other day—it is on page 29 of volume 5 which I have just mentioned—was from a letter written by Msgr. Tache, then bishop of St. Boniface. In that letter, Bishop Tache refers to the building which had been constructed before 1846 for the reception of the Grey Nuns. Here is what Bishop Tache had to say:

The deeply Christian families of St. Boniface find satisfaction in the fact that their daughters enjoy educational facilities similar to those available to their sons.

[Mr. Broome.]

The Sisters of Charity, or Grey Nuns, operate a school for girls in St. Boniface; by a special Providence, those devoted nuns were able to erect a large and beautiful building entirely for educational purposes.

They have a boarding school and a day school, and they train teachers in their normal school; 18 nuns are full-time teachers and 300 children attend the classes.

Our laws on education, so sound and in keeping with the real sense of freedom, promote the Christian education of our young people.

This is what Bishop Tache could say in 1888 about our education laws. Unfortunately, the situation has changed a great deal since 1890, but I believe that one day the education system in Manitoba will be restored to what it was in 1888.

Referring in his letter to charitable works, Bishop Tache mentioned this:

Charitable activities cannot be wanting wherever there are Sisters of Charity.

The old building, birthplace of those organizations in St. Boniface, is still the same one which was erected by Msgr. Provencher. It is Vicarial House in which the novitiate is located and around which eventually were built an orphanage, a home for disabled women and a hospital.

Now, this house, already described as an old one in 1888 by Bishop Tache, is I believe the oldest house in western Canada. It is located on Tache street in St. Boniface.

I am happy to learn that the Department of Northern Affairs and National Resources is giving earnest attention to this historic building. I understand certain amounts will be voted for its preservation.

The house has been entrusted to a museum committee in St. Boniface. I am not sure, but I also think that the city of St. Boniface is prepared to vote a substantial amount for the conversion of this house into a museum, and for its maintenance.

I hope the government of the province of Manitoba will do likewise so as to help preserve this historic building.

I believe that monuments and museums are important to keep alive the history of a nation.

In my view, the history of the province of Manitoba ranks with that of any other area in America. We remember that La Verendrye in 1735, had already travelled over most of the territory of the prairies. We know that settlers who came over from Scotland in 1812, 1813 and 1815 developed that area.

Manitoba has many historians, for example, Father Dugas, one Mr. Tasse, Alexander Ross, Joseph James Hargrave, Donald Gunn, Alexander Begg, George Bryce, R. B. Hill, F. H. Schofield, Miss Margaret McWilliams and Mr. W. L. Morton, a professor at the university.

Apart from the historical society of St. Boniface, I think there is in Winnipeg an historical society which also has been interested in the history of the province of Manitoba.

Mr. Chairman, I think it is most important for the citizens of the province of Manitoba, as well as for all Canadians, to have some knowledge of the history of the province of Manitoba. In fact, if the history of that province were better known to Canadians, it would be easier to maintain harmony in this country.

When those hardy Scotch pioneers came to Canada, they stopped at York Factory, in the fall of 1811. They were able to spend the winter there before proceeding on their trip to the Red river which they reached only the following autumn.

Since winter was too cold and food was lacking, they had to establish quarters 70 miles south of Red river, in the village of Pembina, where the population was almost exclusively French Metis. In order to survive, those Scotch settlers had, on three occasions, to seek shelter with those French Metis of Pembina. However, one year there was a shortage of food even in that village and all the settlers, men, women and children alike, had to make for the prairies, in the snow, so as to try to find a group of Metis hunters who might provide them with shelter and food.

That is what those pioneers did.

I might add that one year there was so much snow that horses could not be used on the prairies, the buffaloes had wandered away and the people of Pembina village could not survive. They, in turn, had to seek food from the Scotch pioneers who, having become farmers, had managed to keep enough wheat and flour to save the other settlement from starvation.

This lesson from history proves that people need one another and that if the descendants of those Scotch pioneers are still living today, it is thanks to the help their forefathers received from the people of those villages who numbered about 500 in 1821. It is true that the Scottish pioneers were somewhat less numerous but, by helping one another they managed to beat the great poverty and depression that prevailed in those days.

Mr. Chairman, I do not intend to dwell overlong on that subject. I simply wish to thank the minister for what he has already done and urge him to solve the problem, to try to obtain for the citizens of St. Boniface that house where we may preserve, before they are all lost, the historical records we now have in our possession.

Mr. Chairman, while there have been many historians of that period it may be pointed out also that there was a poet by the name of Pierre Falcon, who once lived in Pembina and who later moved to a place called While Horse Plains, which in 1824 became St. François-Xavier.

That poet wrote songs on all the great historic events that took place in the province at that time. I therefore feel that someday we might consider erecting a monument to that first poet of western Canada.

(Text):

Mr. Pickersgill: Mr. Chairman, I should like to join the hon. member for St. Boniface in his appeal to the minister for the aid of the historic sites and monuments board and the other facilities of his department in the preservation of the relics of the early history of the Canadian west before it was even Canadian. I do so with a certain amount of local pride. As an old schoolboy of Tache high school in St. Boniface, I know these places very well. I know, I think, every alley and every street in that oldest city west of the lakes. There is so much there that is worth preserving and that is a monument of the fact that, after some initial difficulty, we have developed in that community a bonne entente which has not only been very satisfactory in that community but which has resulted in the production from that community of some of the most talented people in the French language in all Canada today.

Indeed, I would go so far as to say, if it would not be regarded as too boastful coming from one who spent 30 years of his life in Manitoba, that perhaps the French speaking inhabitants of Manitoba, in proportion to their numbers in this generation, have produced a disproportionately large number of remarkable and distinguished people in the arts and letters of this country. Of course, one thinks particularly of Gabrielle Roy, of Gisele MacKenzie, in another field, and of her brother who is now distinguishing himself as well. One could go on, of course, and add to this list.

Mr. Matthews: Get down to the P's.

Mr. Pickersgill: I am afraid that I would not be able to qualify on the grounds of racial origin, but that does not alter the fact that it is, for me, a matter of local pride.

While I am on my feet, I should like to remind the new minister of something of which I reminded his predecessor without any success. I can say, sir, that I should have liked to do this when the hon. member for

Cape Breton North and Victoria was not in the chamber, but he is here. I should like to go on and remind hon. members that the very beginning of our whole country was in the constituency that I represent. It does seem to me that the time has come to commemorate, in a proper way, the landfall of the discoverer of Canada, John Cabot, at Cape Bonavista, on St. John's day in 1497. I suggest to the minister it would also be most appropriate to commemorate the fact that that later explorer of Canada, that mariner from St. Malo, Jacques Cartier, following a generation later in the wake of John Cabot, made his first landfall at Cape Bonavista. Before he went to Gaspe and long before he went to Quebec, Cartier trod the soil of Newfoundland.

This fact should be commemorated as part of our history, as is the case in any part of this country where the historic sites and monuments board or the historic section of the national parks board, commemorate these things. It not only has a cultural value, but it also has a very practical, hard material value. The commemoration of these ancient monuments is one of the greatest of the many current attractions in this country. The more we mark these sites, the more we advertise them, the more we can hope to make our country interesting and attractive, not merely to our own people who travel about but also to those who come to visit us from other countries.

I might point out to the minister that since a national park was established in Newfoundland by the previous administration, the present government has made great improvements there for which I am grateful. I would emphasize to the minister the fact that, in a sense, this gratitude is a lively anticipation of future improvements because only the surface has been scratched. This national park has resulted in the completion of the road right across the whole of Newfoundland. Gander, on one side of that park, is the crossroads of the whole world and Bonavista, on the other side of the park, is the site of the beginning of the history of North America. What would be more fitting than that tours should be arranged for those people who are held up in Gander. It is only 100 miles across the park to Bonavista where one finds the most beautiful scenery, I was going to say in all North America, but at any rate east of the rockies.

Some hon. Members: Oh, oh.

Mr. Pickersgill: If any hon. member doubts the complete accuracy of that statement, let him go and see for himself. If he is so blind as to disagree with me, then I shall have to assume that each of us has not the same appreciation of beauty. I do not believe that many would disagree if they had that experience. I admit the road is not the best in the world. Indeed, I can assure the minister that it is not, but that, too, will be taken care of in time.

I understand the Italian government is interested in this project. We in this country should never forget that in recent times among the most productive and most useful of our groups of new citizens have been those from Italy, or that the man who found Canada in the first place, the man who started Canada as an extension of Europe, was Giovanni Caboto, of Venice and Bristol.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7.30 p.m.

The Chairman: Shall vote 279 carry?

Mr. Pickersgill: Mr. Chairman, I did have one or two other things I wanted to say on a rather different subject, but I wonder whether the minister would first like to make some observations about the points raised by myself and the hon. member for St. Boniface.

Mr. Dinsdale: Mr. Chairman, we have had several speakers on the first item. At this time, if it meets the wishes of the committee, we might allow all hon. members to make their presentations and then I will make a general reply.

Mr. Pickersgill: As a matter of fact, Mr. Chairman, I do not think I have anything more that you could properly call a speech. I do want to ask the minister one or two questions on the administrative item, but I think perhaps I should desist from doing that until any other hon. member who wishes to speak in a general way has had an opportunity to do so.

(Translation):

Mr. English: Mr. Chairman, I listened with close attention this afternoon to the hon. member for St. Boniface (Mr. Regnier) and the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

The latter referred to Jacques Cartier and suggested that he first landed in Newfoundland. At first I had some doubts, but having later done some research in my office, I have found that he actually did set foot in Newfoundland, although the exact spot is not mentioned.

The French explorer Jacques Cartier made his first trip to Canada in April 1534. We find in his memoirs the first fragments of Cana-

dian history. After a brief stop for fresh water somewhere along the north shore of the St. Lawrence—and I am prepared to believe the hon. member for Bonavista-Twillingate, because I seem to have read somewhere that it might have been in Newfoundland—he sailed in a southwesterly direction, along the Magdalen islands and Prince Edward Island, and finally stopped on the shores of the Baie de Chaleur, though historians have never determined the exact location. The presence of seemingly hostile Indians prevented him from landing, however, and Cartier's narrative indicates that his ships turned back toward the north on July 12. On July 24, they entered another deep bay, and Cartier thought it was the basin through which the St. Lawrence flowed into the sea; he thought it was the road to Cathay. Having gone ashore to explore the area, he realized his mistake. He now felt certain he had just discovered a new continent. So he had his men build a wooden cross 30 feet high, bearing a shield with an engraved fleur-de-lis and the words "Vive le roi de France" written in large gothic script. Here is how Cartier himself describes the scene in the French language of the time:

> On the XXIII day of said month, we built a cross 30 feet in height, which was constructed in the presence of a large number of them on the cape at the entrance to the said cove. Under the cross-arm of that cross we put a shield in relief bearing three fleurs-de-lis, and on the cross we put a wooden sign bearing the words LONG LIVE THE KING OF FRANCE. And the said cross we set up on the said cape before them while they watched us make it and set it up. After it was raised, we all fell to our knees with clasped hands adoring it in their presence, and making signs at them, looking at the cross and pointing to the sky, to signify to them that said cross was the sign of our redemption, at what they expressed much admiration, turning to look at the said cross.

It is regrettable that that cross was not made of material more durable than wood, because, soon after, it was destroyed by the elements. The actual location where that cross was erected is not known even today. It is however admitted by all historians that it was on the shores of what we now call the bay of Gaspe. The place which seems to best meet the descriptions of this event and on which many of our earlier historians agree, is now called Peninsula point, a small headland with sandy beaches which juts out at the mouth of the bay of Gaspe. Any navigator would probably choose this place to rest before venturing further into these unknown and unexplored lands.

The erection of this cross is a memorable event. To all those who want to keep an historical souvenir of this country's origins and who hope to see the writing of a history enriched with glorious events, Cartier's gesture marks a starting point. The great cross set up by the French navigator when he discovered our country was soon buried in the sand, but the memory of the moving ceremony that took place in the imposing scenery of the verdant forest under a blue sky will always remain vivid in the minds of Canadians. It was one of the most sublime moments of all our history. And in a developing country such as ours, it is an inheritance that all generations must cherish jealously.

We should not be ashamed to show devotion for our origins, because a nation is not founded only on material things. And to forget those gestures of the past, or still to deprive Canadians of this worthy heritage of history, is to hold our birthright in contempt.

In the years between 1534 and 1625, when France was trying to colonize this new land, the bay of Gaspe was often mentioned in the memoirs and writings of the time as a mooring place for ships from foreign countries.

After their hazardous crossing of the Atlantic in their frail crafts, the captains of yore headed for the bay of Gaspe, where the crew traded various items with the Indians for food and water.

Once the crew was rested, the ship weighed anchor and, from Gaspe headed for Quebec or Montreal.

Mr. Deschatelets: Would the hon. member tell us where he got his information?

Mr. English: These are facts I picked up in various books and also obtained from historians who were doing research work in Gaspe, and they let me have reports on well established facts. That is why I dare quote them, because I want to inform the house as accurately as possible of some details which sometimes are rather complex and difficult to establish. Of course, I want to avoid errors. I am therefore quoting, if I may, details gathered here and there.

Thus, in the very beginning of our history, Gaspe constantly played an important part in the first attempts at colonization of this new continent.

Indeed, it has been mentioned that the greatest naval battle of our history was fought in the bay of Gaspe. That same battle had forced Champlain to surrender Quebec

to the British, in 1629, and certainly did contribute to change the course of Canadian history.

Mr. Chairman, there are several other historic events connected with the Gaspe peninsula.

Alas, that part of our homeland, which is legendary and basic to our history, has been too much neglected until today.

I very well remember that at the little rural school I attended as a boy, we used to study Canadian history in a textbook in which could be found the following words written under a photo:

Gaspe, Jacques Cartier. Cartier plants a cross.

There was also this inscription:

Long live the King of France.

What I find strange today is the fact that we are questioning the actual place where Cartier landed.

Mr. Chairman, all those who have studied their history and who want to recognize that part of their province for what it is really worth, admit that it was actually in Gaspe that Jacques Cartier landed.

There are also several other historic facts I should like to point out. Among those, there is the one where it is said that later, in the course of our history, the British army, under General Wolfe, encamped at Gaspe before capturing Quebec for the second time in 1759. On September 4, 1758, Wolfe arrived there with seven ships and three infantry regiments numbering 1,500 men. Those soldiers settled on the wide and triangular belts of sand of Peninsula point: the historic site where, in all likelihood, Cartier landed in 1534.

The proof of this occupancy is provided by a painting of Captain Hervey Smith who served as aide-de-camp to General Wolfe on that trip. The painting shows the exact location of buildings in that group, including the two-storey building known as the Customs house, where Wolfe lived during his stay in Gaspe. An important historical fact is that the location of General Wolfe's house was determined accurately by the late Fred Richmond, of Gaspe, who discovered the remains of a fireplace at the exact spot indicated on Captain Smith's painting.

Several of the relics buried at that place indicate that the station was inhabited in the past by French traders. A coin found on the site of the "Maison des Douanes" was a gold piece clearly bearing the date 1693. Three two-sou pieces from 1629, or even from 1575, were also found on this spot.

Mr. Chairman, I could relate many other legendary facts, but I would not want to take too much of the time of the house. I might have another opportunity to speak on it at length.

But, as a son of Gaspe, and as the representative of Gaspe, I am proud of this part of our province.

And I also take pride in proclaiming in this house that Gaspe has made a major contribution to our history.

When, every summer, I see many tourists come to visit the Gaspe peninsula, to see for themselves what they have learned in their history books, who are filled with admiration by the scenic beauty of a site such as Perce, I wonder if each and everyone of us, rising above political considerations, should not acknowledge at least inwardly, if we do not want to express this feeling outwardly, that we have too long neglected and ignored that part of our province which is called Gaspe.

To think that after all these years, we do not even have a historic park in Gaspe that displays all these marvels.

Every summer, I meet people in my riding, members of the Catholic clergy, the bishop of Gaspe, Protestant ministers, and I am glad to note that there exists full cooperation between these various groups.

In my part of the country there is no class, racial or religious discrimination.

The town of Gaspe has a population equally comprised of French and English Canadians. The parish of Douglastown is entirely Irish. Not a word of French is heard there. The parish of Barachois is also English speaking.

And yet, each and everyone of us is working in harmony, because we are all proud of our history, and our hearts are filled with love for the Gaspe peninsula, our province and our beloved country, Canada.

Mr. Chairman, that is why—no matter what may be thought by those who feel I am delaying the adoption of the estimates—I considered it my duty to express the voice of Gaspe for in 1957, the people of that area put their confidence in me, regardless of political considerations, because they examined my record and knew my attachment for the Gaspe land. The confidence they put in me indicates that they wanted me to come here to Ottawa, not only to listen to debates, but

to uphold their rights and work in the interest of that part of the population which was unfortunately so long ignored by every political administration.

Mr. Chairman, I hope that what I am saying now will not be in vain but that it will bring results. My duty as a member is not to come to this House of Commons and accept everything without saying a word; I feel I am entitled to obtain for that part of the Gaspe peninsula what it has a right to expect.

The population of the Gaspe peninsula has always contributed to the progress of Canada. People in my riding have always contributed money and taxes toward the development of our country, but I would like to see part of this money used for the development of this part of Quebec which is assuredly one of the most beautiful in Quebec and even in Canada.

Mr. Chairman, if we are rightly asking for a historic park in the Gaspe peninsula it is not because the humble member for Gaspe requests it but because the history of our country demands it.

I hope that the request I am making tonight will be granted. I know the devotion to duty of the minister and I am convinced that he will do all he can. I hope I may never receive an answer such as was given to me once to the effect that it was not sure that Cartier had landed in Gaspe. If the person who sent me this letter would care to meet me, I would gladly give him a lesson in history. If that is the reason advanced for not accepting to plan a historic site in Gaspe, I do not accept it. If some one answers that it is not certain that Cartier ever landed at Gaspe, I do not accept that. It is my privilege not to do so.

If you only knew how many hours and how many years I have spent studying Gaspesia and its history. I have been a professor in Quebec for ten years and I like to think that the history I taught my pupils was not false history, as some people claim. Anyhow unless I am given proof to the contrary, I am going to continue to teach that splendid history.

Mr. Chairman, I want to apologize, perhaps I have been a bit too long. No matter how long my political career might last, how many years or days I might spend here in Ottawa, I would like people to say after I am gone, after I have left Ottawa, that at least I have made known my Gaspesia, that I have claimed what it has a right to expect from our government and that I have accomplished my duty. That is the only reward I am expecting from politics.

I do hope that an agreement be reached, so that all the hon. members, whatever their party, may come down into this small section of my province and visit an historic park that would remind them of the feats of arms of our history.

Mr. Deschatelets: Would the hon. member permit me a question? He said that in his opinion Gaspe had been neglected. Could he tell us if it is true that for many years he was a deputy minister in the Union Nationale government?

Mr. English: Mr. Chairman, I am glad that question was put to me. I am not in the habit of indulging in petty politics or trying to make political capital with such a matter. I leave such pettiness to the hon. member who asked the question.

But since he has started the ball rolling, it is a pleasure for me to reply.

I was a deputy minister in the Union National government. As a matter of fact, I was a candidate in 1935; I was then 24.

If you insist on having my pedigree, I shall be pleased to oblige. I was secretary to the minister of mines and fisheries, from 1936 to 1939. I was appointed deputy minister in 1953.

When first I went into politics, there were no paved roads, no cars, no electricity. Thanks to the Union Nationale government, we now have paved roads and electricity; we now have hospitals and schools. Those were the things with which I busied myself while I was deputy minister.

(Text):

Mr. McGee: Mr. Chairman, I am prompted to participate in this discussion for the second time by the speech of the hon. member for Bonavista-Twillingate who had some interesting remarks to make about John Cabot and where he landed. I noticed that some objections were made by the hon. member for Cape Breton North and Victoria.

Mr. Pickersgill: But they are not on the record.

Mr. McGee: I am sure the hon. member will place that view on the record at the earliest opportunity. I was going to offer in a friendly way the suggestion that perhaps the controversy between the two hon. members is really beside the point after all because I hold in my hand le magazine *Maclean* of April, 1961 which contains an article by Gustave Lanctot entitled "Les Irlandais au Canada 600 ans avant Colomb", which roughly translated means the Irish arrived in Canada 600 years before Columbus. In any event, Mr. Chairman, I will not go into any more detail with

regard to the authenticity of the documentation in this article except to say, more in sorrow than in anger, to the hon. member for Bonavista-Twillingate and the hon. member for Cape Breton North and Victoria that their discussion and disagreement are perhaps after all quite beside the point.

Mr. Pickersgill: I cannot allow that to pass because I suspect that the hon. gentleman's pride of race will take somewhat of a bump when I tell him that there is a good deal of support for Mr. Lanctot's contention. The hon. gentleman will recall that when the Norsemen went to Iceland they did not feel it was worth while taking women on the whole voyage and they picked their women up in Ireland on the way, and it was no doubt the descendants of some of those women who came to this continent with Lief Ericsson about the year 1,000, and no doubt that is the argument that Mr. Lanctot is making. But I think perhaps if they did and if any of the descendants of those people were still here, which they are not, and they had to submit to the census that we were talking about earlier this afternoon, they would have to admit, if they told the truth in giving their racial origin, it would be not Irish but Norse, because of the paternal line.

This gives me an opportunity, sir, to cite an authority to the hon. member for Gaspe who I think accepted my word for it even before I got the authority. I have here an authority who I think the hon. gentleman will wish to bow to at once. I have in my hand the *Handbook Gazeteer and Almanac* of Newfoundland for the year 1941, edited by J. R. Smallwood.

An hon. Member: Who is he?

Mr. Pickersgill: An author. I read:

> Catalina. Population 882. Third largest settlement in Trinity bay. In 1534 Jacques Cartier spent 10 days here.

An hon. Member: What for?

Mr. McGrath: May I ask the hon. gentleman a question. Is this the only authority he has for his contention?

Mr. Pickersgill: It is the only one I have in my hand but I am sure the hon. gentleman would not contest the fact because, with his wide knowledge of the history of Newfoundland, he will know that this was simply a secondary source and that there is a primary source in Cartier's own account of his voyage.

Mr. Winch: May I ask one question. Important as this is, what has it to do with the estimates now before us?

Mr. Pickersgill: I think it is of the greatest possible importance. I am sure the hon. gentleman was asking his question with his usual solemnity. Perhaps the hon. gentleman may not have heard the original observation on which all this was based, namely that it is of the utmost importance that we should preserve the great relics of our history, and so far as the nation is concerned, it is the responsibility of the Minister of Northern Affairs and National Resources to do that. As I suggested just before dinner, not only is this a very good thing to do from the point of view of the preservation of our history and of our culture but it is also in a very hard material way a very good investment. I am sure the Minister of Forestry who is listening to me will agree, that every time we mark one of those ancient monuments it becomes another attraction for visitors, not only people who travel about the country but visitors to our country from other countries.

Mr. Winch: I most certainly agree with the statement made by the hon. member for Bonavista-Twillingate but what I was wondering about was whether we in the House of Commons can decide where Cartier landed. I do not think we can.

Mr. Pickersgill: He decided that.

Mr. Crouse: Mr. Chairman, now that the hon. member for Bonavista-Twillingate has relinquished the floor—

Mr. Pickersgill: I was merely answering questions.

Mr. Crouse: —I can commence my remarks by saying that the Department of Northern Affairs and National Resources under its young and energetic minister is beginning to play a more important role throughout all parts of Canada than it ever has before. This development is taking place throughout every province of Canada, from the Atlantic to the Pacific, and has made its impression upon my own riding of Queens-Lunenburg in Nova Scotia.

I should first like to join with my colleagues, as well as with members of the opposition, in extending congratulations to the minister upon his appointment to this portfolio. The former minister plotted a firm course to be followed, but I am pleased to note that the present minister has taken a keen interest in all matters pertaining to his department and its administration, and is making further improvements upon the good plans established by his predecessor.

Previous speakers have pointed out the fact that Canada is showing a substantial deficit in her tourist trade with the United States, and it is to the Canadian government travel bureau branch of the department and the national parks branch that I shall direct

most of my remarks. As a Nova Scotian I am fully aware of the impact made upon our economy by the tourist industry, and of the necessity of attracting to Canada and to our particular area a larger number of tourists.

A study of the tourist survey of Nova Scotia as carried out by the Nova Scotia travel bureau in 1960, indicates that the tourist industry is big business, especially in our province. It gives some idea of the factors which influenced tourists to visit Nova Scotia. According to the survey, tourist booklets influence over 52 per cent while magazine and newspaper advertising were effective in encouraging another 35 per cent to visit Nova Scotia. These figures would indicate that tourists will come to your area if you intelligently and carefully promote the beauty spots and historic sites which are to be seen during a visit, and the quality of the hotel and motel accommodations and the variety of sites to be seen will determine the length of their stay.

On February 8, 1961, the hon. E. A. Manson, minister of trade and industry in Nova Scotia stated:

> In 1960 Nova Scotia's tourist industry achieved new records, both in the number of visitors to the province and in the amount of money they spent.
>
> After studies extending back over four years and intensified in 1960, a revised and corrected system of gathering tourist statistics shows that the number of visitors to Nova Scotia during the four summer months of 1960 totalled 586,111, and their estimated expenditures were $48,328,733.

He further stated:

> Canadian and American averages obtained from the 1960 registration card inquiries for the "Order of the Good Time", weighted on the basis of 73 per cent Canadian and 27 per cent American traffic, has led to the conclusion that the value of spending by tourists from other Canadian provinces this year was $30,773,902 and by American visitors, $17,554,830.
>
> Mr. Manson said that Nova Scotia was fortunate in having tourist statistics reaching back, with an interruption during the war years, to 1922. There could be no doubt that the long term trend in Nova Scotia's tourist traffic was sharply upward.

This, of course, is most encouraging.

I was especially pleased to note the minister's comments on the resources for tomorrow conference scheduled to take place in Montreal next October and the fact that water pollution will be a subject for discussion. When we consider the effect of polluted water upon the health of our people and its destructive power in the salmon and inland fisheries as well as the partial destruction of the shellfish industry along our coast especially near the mouths of our rivers, only then do we realize the importance of the legislation introduced by the government to provide assistance to municipalities for the construction of sewage disposal facilities. This is a great forward step, one that was long overdue, and in view of the importance of our inland fisheries as a tourist attraction I hope it will be possible for federal and provincial fishery conservation officers, as well as municipal wardens and industrial leaders, to attend this conference and outline any further ideas they may have on this important problem.

In the last decade Canadians have spent twice as much money travelling in the United States and abroad compared with the money spent in Canada by Americans and tourists from foreign lands. Our Canadian tourist deficit is an important part of our over-all balance of payments deficit. For a long time the Canadian Manufacturers' Association has been promoting the slogan, "buy Canadian". I think the time has come to adopt another slogan, "Sell Canadian"—"Sell Canada". In view of the benefits that accrue from the tourist industry, not only to private industry but to the federal and provincial governments as well, I believe that government has a responsibility to promote tourism on a national level. These efforts would pay a sizeable dividend in that the expenditures of tourists from other countries would materially benefit our balance of payments position.

Why do Canadians want to visit the United States, the United Kingdom or, for that matter, Paris? I submit that one reason is to visit the historic sites they have previously only seen in pictures or heard about in song or story. Here is a challenge to the new Minister of Northern Affairs and National Resources to renew in greater number the historic sites and national parks throughout Canada and especially those in Nova Scotia for the benefit of foreign as well as Canadian tourists. At the present time a start has been made in Nova Scotia with the national park in Cape Breton. It is undoubtedly one of the beauty spots of Canada providing every facility for the visiting tourist. However, I believe there is room in Nova Scotia for another national park and for further development of historic sites, and I believe that some of this should be along the south shore of Nova Scotia.

It is my understanding that the minister plans to visit Nova Scotia this summer and I would welcome the opportunity to show him some of the areas worth developing in my riding. Time will not permit me to mention all the historic sites but we could start at Port Mouton in Queen's county. Here we would see where the French explorer De-Monts first landed at this port in 1604 and established a settlement prior to sailing up the bay of Fundy to Annapolis. We are told that the port received its name because a sheep jumped overboard and was nearly drowned before it was rescued.

In the same year DeMonts entered another harbour which he named Port Rossignol and which retained that name until the new England settlers came in 1759 and 1760 and renamed it Liverpool after the same port in England. During the war of 1812 between the United States and Great Britain, Liverpool became famous as the home of the privateers operating under letters of marque that were granted by the government. One of the earlier privateer owners was a member of the Nova Scotia house of assembly. His name was Mr. Simeon Perkins. On our tour we could visit his home recently restored through the efforts of the historical society of Liverpool and the provincial government.

Another site worth visiting would be fort Point at Liverpool which was originally called fort Morris. It was here in 1773 that Simeon Perkins really distinguished himself. The fort was captured by an American privateer when the British garrison was asleep. Simeon Perkins organized the militia, captured the captain of the American privateer and worked out an agreement whereby he regained control of the fort in exchange for the captain.

Leaving Liverpool we travel along the south shore to Petite Riviere and cape Lahave near the mouth of the Lahave river. DeMonts and Champlain in 1604 named it Cap de la Have. In 1632 Isaac DeRazilly fortified it and brought in settlers and in 1670 it was captured by the English and resurrendered to the French. In 1720 Sir William Phips thought of Lahave as a government seat, so we readily see the importance attached to this area in that day.

Travelling through Bridgewater, a town of rare beauty on the Lahave river, with outstanding shopping and tourist accommodations, we next visit Lunenburg, the home of the *Bluenose*. This famous ship made international racing history and many American tourists come to this town to see the shipbuilding yards where this ship was built. Not only was the *Bluenose* constructed there but also there was recently constructed for Metro-Goldwyn-Mayer a replica of the *Bounty* which was made famous in the book, "Mutiny on the Bounty". Here too we can see the site of the old blockhouse built in 1773 by the Hanoverian settlers as a protection from the Indians on what is now called blockhouse hill. At the present the local Lions club is actively interested in restoring this blockhouse and I would urge the minister to give earnest consideration to the restoration of this national historic site as well as those I have previously mentioned.

I am certain the minister will find very few places in Canada as storied and as interesting as Lunenburg county. Near Lunenburg town is a place called the Ovens that has long been an attraction to tourists. They are deep caverns worn in the sides of the rocky cliffs, the largest of which is about 18 feet in height and 40 or more feet in depth. The sea is never still and rushes into these caverns making a noise like the report of a heavy cannon. Huge gold discoveries were made here in 1861 and many claims were staked.

In Lunenburg county you will also find the towns of Mahone Bay and Chester and along the coast separating these two towns there are over 300 islands. One of these is widely known as Oak island, famous for the treasures supposed to have been buried there by the famous pirate, Captain Kidd. It was also in Mahone Bay in the year 1813 that the American privateer, *Young Teazer,* pursued by a man of war, was blown up by a deserter from the British service. It is rumoured to this day that on a foggy night this ship, with its sails flapping in the breeze, can still be seen on the horizon. It is called "the ghost of the flying Dutchman".

At Chester, Nova Scotia, American tourists have already established a large tourist colony due to the fact that the scenery in this area could safely be classed among the most beautiful in the world. Farther along the coast we come to Blandford, first settled by the Irish around 1809. This peninsula is famous for its sandy beaches and its high rise of land called "aspotogan", an old Micmac Indian name, which is approximately 500 feet above sea level and is a landmark for navigators. This area would be exceptionally well suited for a second national park and I hope the minister and his officials will take a careful look at the Blandford district as well as others I have mentioned during our tour of this area. I might add that the minister's visit will be very much improved over any that might have been made in the years when this country was under Liberal rule for I know of no road in Canada that was in worse state than was the Blandford road during those years. However, as a result of the roads to resources program, I am pleased to state that the Blandford road has been under construction, and in a few years it will stand as a monument to the Minister of Northern Affairs and National Resources and his program.

From these remarks hon. members can readily see the many attractions and points of interest my riding in Nova Scotia offers the tourist. At the moment we have a Canadian government travel bureau or tourist office in New York City, one in Chicago and one opening in San Francisco. My riding alone offers points of interest to English, French, German, Swiss, Scots and Irish, to

mention a few, and in this day of jet travel I believe our efforts to encourage tourists should no longer be directed only toward the United States. With London only six hours away by jet and Paris only seven hours from Halifax, I believe we should give some thought to opening a Canadian government travel bureau at least in London and Paris. These places mark the home of our two great cultures which supplied Canada from the Atlantic to the Pacific with its settlers, its traditions, its customs and languages.

Our bilingual country offers hospitality to the English or European tourist that cannot be found in the United States or many other countries. We are more accustomed to dealing with this type of tourist, and we do not look upon them as foreigners but appreciate them for what they are. By establishing our historic sites and giving them proper publicity, there is every reason to expect United Kingdom and European tourists to visit Nova Scotia, the province in which the French, English, Scottish and German settlers first landed, as well as other parts of Canada.

Recently we noticed an article in the Halifax *Chronicle-Herald* under the heading, "Nova Scotia businessmen find plums aplenty; They've got London talking". The article reads in part:

> Nova Scotia businessmen stuck their thumbs into the British business pie this week and pulled out more plums than they had expected.
>
> With less than half the time elapsed before the Halifax-Amherst trade group returns to Canada, many members of the mission feel they have done more than twice as much as they had hoped.
>
> "When you get London talking you've really done something," said Atlantic provinces agent-general Watson Jamer, "and the Canadian businessmen have done just that".
>
> "There's hardly a business in town that isn't aware Nova Scotia is here," he said.

I submit, Mr. Chairman, that if we can get these people interested in business, then we can interest them in visiting this country. However, it is up to us to stimulate the interest of these people in visiting the places where their countrymen established settlements in the new world. By so doing we not only strengthen our tourist industry, but we show these tourists a way of life. We want our United States friends and our friends from overseas to see us and become acquainted with the freedom we enjoy as Canadians. We want them to see our institutions of government. In this way, they will acquire a feeling for the spirit of democracy which is of vital importance to all of us and to the peace of the entire world.

Mr. Muir (Cape Breton North and Victoria): At the outset of my remarks, I should like to say I have no intention of entering into a controversy with my very good friend, the hon. member for Bonavista-Twillingate, who claimed that John Cabot landed at some particular place. We then had an Irishman from Toronto claiming he landed in another place. My views on this matter have been put on the record and I have not changed them since.

In any event, Mr. Chairman, I appreciate the opportunity of making a few remarks during the discussion of the estimates of the Department of Northern Affairs and National Resources because the economy of my constituency, or a large part of it, is wrapped up in what this department may or may not do, especially in Cape Breton Highlands national park. Like other hon. members of the committee, I should like to express my sincerest congratulations to the new minister upon his appointment. I have no doubt, despite the views that have been expressed to the contrary by the all-wise sage from Port Arthur, he will perform his duties well.

The background of the new minister indicates an awareness of the social problems of our society, and this is indicated by his work during his lifetime. During his early years his abilities and talents were made available, through the Salvation Army, to the inmates of Montreal's Bordeaux jail and St. Vincent de Paul penitentiary. He also performed similar services in Toronto. Later, he served with distinction in the Royal Canadian Air Force and was awarded the Distinguished Flying Cross. His career in politics, including his activities as parliamentary secretary to the Minister of Veterans Affairs and now as Minister of the Department of Northern Affairs and National Resources, indicates that he has devoted his life to doing good for his fellowmen. I have no doubt his work as minister of this department will be such that, in the future, we will all be as proud of him as we have been in the past.

Having made that statement, I should like now to bring to the attention of the minister the wage rates that are paid to workers in the Cape Breton park. I brought this matter to the attention of the previous minister, and also to the committee, on several occasions. I should like to report that we have made some small progress. The labour rate at this park is now $1.05 an hour compared with 85 cents an hour before this government came into office. However, as I pointed out on another occasion, this rate is certainly not in keeping with the rates that are paid in the majority of the national parks throughout Canada. It is certainly not a proper wage rate.

As we are all aware, government employee wage surveys are conducted by the Department of Labour at the request of the employing department. I should like to suggest to the minister that the time is past due when

a request for another survey should be made. I would renew my request that when this survey is made consideration be given to the different wage rates that are in effect throughout Cape Breton island and that it be not restricted to the area immediately surrounding the park.

I should like to commend the government, the previous minister and the present minister, for the activities that have been carried out in the park in recent years. The winter works program and the extra work projects that have been carried out in the park have provided a level of employment to my constituents such as they had never experienced in this area previously. I join with my colleague, the hon. member for Inverness-Richmond, who remarked the other day in the house that the area concerned has been more prosperous because of the greater amount of work that has been carried out.

In support of this statement, I should like to put on the record the amounts expended in wages at the Cape Breton Highlands national park for the years 1953 to 1960-61. These totals include the salaries of civil servants, prevailing rate employees, and employees on construction work. The years and the amounts expended are in tabulated form, as follows:

1953-54	$ 189,666
1954-55	179,515
1955-56	307,885
1956-57	328,934
1957-58	409,878
1958-59	392,823
1959-60	421,029
1960-61	504,898

This, of course, is completely separate and apart from expenditures made on highway construction in the park. This work which has been carried out means so much to my constituents that I trust it will be continued at a similar rate and expanded to a greater degree if at all possible. I suggest to the minister that this be done.

At the present time great strides are being made in the construction of a large camping ground in the Ingonish area, which I may say is urgently needed to eliminate overcrowding which occurs every year during the tourist season. There is certainly room for further great expansion in this park in many fields.

I must say that of the few recommendations in the recent Rand report with which I agree, two are the recommendations concerning the expansion and development of the Cape Breton Highlands national park, and also the one relating to Fort Louisbourg in the constituency of my colleague from Inverness-Richmond who has been devoting himself so strenuously in this regard.

[Mr. Muir (Cape Breton North and Victoria).]

May I also bring to the attention of the minister the matter of reforestation within the confines of the park. Over a period of years a large portion of the park has been burned over, unfortunately, due to forest fires. I would urge that the minister give consideration to the matter of beautifying the park in the areas where this has occurred.

I realize that the government has in effect a program of financial assistance to the provinces for the purposes of reforestation of vacant crown lands, and in view of this I see no reason why some arrangement could not be worked out in an area such as the park, where it is totally owned by the federal government.

Just recently I brought to the attention of the Minister of Forestry the question of reforestation in Cape Breton. I also brought this to the attention of the Prime Minister, with the thought in mind that, should we eventually have to face the prospect of mine closures, I felt there was no reason why a corps of a couple of hundred of men could not be occupied for a period of up to, say, two years in this type of work.

A program of this nature has been carried out with great success in Great Britain, and I urge the minister to see whether some mutual arrangement could be made whereby this could be carried out in the area I have mentioned.

Another point I should like to draw to the attention of the minister is one that I have discussed with the previous minister and his departmental officials for quite a period of time. That is the question of the historic site at Englishtown and, to be more explicit, Port Dauphin.

At the present time a cairn is located there with the following inscription:

> Settled in 1629 by Capt. Charles Daniel and site of an early Jesuit mission selected in 1713 as a naval base and one of the principal places in Isle Royale, named Port Dauphin and strongly fortified. Its importance declined with the choice in 1719 of Louisburg as the capital.

In fact Englishtown is the site of the first permanent white settlement in all Cape Breton and, I am informed, of the first Jesuit mission on the North American continent.

In 1629 a French fort was built at the mouth of Ste. Anne's bay by Captain Daniel of Dieppe. Jesuit priests named the settlement Sainte Anne, in honour of Queen Anne of Austria, the mother of Louis XIV. In 1713 a new fort was built and the place was renamed Fort Dauphin.

I would urge the minister and his departmental officials, to give consideration to the establishment in this area of a national historic park. The historic sites and monuments board, which I understand advise the

minister on the importance of proposed historic sites, have considered this subject on several occasions but have not come to any conclusive decision.

The previous minister advised me that he wished to have the full assurance of the board that Fort Dauphin is of sufficient importance in the broad history of the nation to warrant, in addition to the bronze tablet and cairn already erected there, the establishment of a national historic park.

I understand that this proposition is to appear on the agenda of the board when they hold their meeting next month. I do hope the matter will be gone into very thoroughly at that time and that we will have a favourable decision.

Let me now turn to the question of a new clubhouse for the golf course at the national park. We are fortunate in having one of the finest golf courses in Canada and I only wish I could say that the clubhouse was in keeping with the course.

I brought this question to the attention of the previous minister and, while I realize that tremendous work has been done in the park and that this new construction is receiving every consideration, we have not as yet been successful in having this consideration become a reality.

I would once again urge the minister to go into this matter most thoroughly, and I shall appreciate the opportunity, if he visits the national park this coming summer—and we will certainly welcome him—of taking him on a personal inspection of the clubhouse. I do not think he will be very proud of it.

On a number of occasions I brought to the attention of the previous minister and the department the matter of the restoration of the original Hydrofoil craft, HD4, which was the brainchild of the late Alexander Graham Bell and was the subject of one of his many experiments.

My appeal on those occasions was, of course, for the preservation, restoration and display of this craft. As a result we were very fortunate in that the department made the necessary arrangements and had this relic transported across the Bras d'Or lakes to the locale of the present Bell museum.

However, as yet there is no visible evidence that the restoration will take place, or any evidence of a shelter being constructed so that this craft can be displayed to the many thousands of visitors who visit the museum annually.

I would like the minister to advise me just how soon we can look forward to action being taken along the lines I have suggested, and explain further the reason for the delay. I shall be interested in being provided with any information he has on this project, as it is one well worthy of consideration, mainly because of the fact that it is one of the few objects of this magnitude with which this great man experimented.

In conclusion, Mr. Chairman, I should like to proceed to another subject, and that is the matter of the provision of ski trails at the Cape Breton Highlands national park.

I was pleased to note in the speech from the throne that this government indicated it was interested in the promotion of physical fitness. With this in mind I should like to once again bring to the attention of the minister, as I did to his predecessor, the tremendous benefits which would be derived by having proper ski facilities at the Cape Breton Highlands national park.

I have indicated to the minister in the past just how suitable certain areas of the park, such as South Harbour mountain and several others, would be for the promotion of skiing. It is a sad thing that the tremendous facilities we have available in the park are available only for the short summer season.

Here is an opportunity where great benefit could be derived by the economy of Cape Breton in the introduction of tourist trade during the winter months in the participation of this sport. I can also envisage the labour force that would be needed to prepare these facilities.

There is no doubt at all in my mind that facilities would be provided by the people in the area for the housing accommodation of those interested, should the government take the initiative in establishing the trails and tows.

I understand it has been suggested by departmental officials that there was no object in providing a skiing area since there would be no tourist accommodation available to people who wished to participate in this sport. It is also my understanding that resort owners in the Ingonish area have not taken too kindly to this view, as I feel quite sure they want all the business they can obtain, especially in the winter. Accommodation facilities are there now.

There are a great number of benefits to be derived besides the physical fitness aspect of the proposition. Apart from the money that would be spent on local labour to cut trails and make the necessary skiing facilities, money would also be spent on gasoline, accommodation and meals by visitors to the park who wished to engage in this sport.

It is quite true that large returns could not be expected immediately, but I am sure immediate steps to provide these facilities would reap great rewards in the future.

It is a well known fact that in this part of Nova Scotia there is always more snowfall than anywhere else. Experts in this field have

advised me that we have a great potential for this sport in the Cape Breton Highlands national park, so I leave these thoughts with the minister for his consideration. We have the snow, we have the scenery, we have the terrain and we have the interest. All that is needed now is more activity on the part of the department to bring these thoughts into reality. We have excellent highways leading to the park and, indeed, throughout Cape Breton Island as a result of the wonderful co-operation between the Stanfield government of Nova Scotia and this government in the past few years in connection with the roads to resources program. There are also many more highway projects which have been agreed upon by both governments but which are yet to be carried out.

I commend the government on this legislation. It was only this week that ceremonies were held in Cape Breton in connection with the completion of the steel structure of the new bridge across the Bras d'Or lakes. This bridge, costing more than $5 million, was brought about as a result of an agreement between the government of Nova Scotia and the federal government, the federal government paying 90 per cent of the cost and the provincial government paying 10 per cent. When this new bridge, the Robert L. Stanfield bridge, is officially opened in a few months, I suggest that we shall see a greater influx of visitors to the Cape Breton park than ever before and, believe me, their number has been growing enormously every year over the past few years. This in itself is reason enough why the department should develop the park to the greatest possible extent.

Before I resume my seat, may I wish the minister well. I look forward to his visit to the park and I also look forward to seeing some activity along the lines of the proposals I have made. When he replies I trust that he will comment on some of the items I have brought to his attention.

(Translation):

Mr. Caron: Mr. Chairman, I do not want to take up too much of the time of the house, but I do wish to set the record straight.

First, I should like to congratulate the new Minister of Northern Affairs and National Resources (Mr. Dinsdale). He is endowed with fine qualities, is congenial and is a hard worker. I have seen him at work in several committees, and it was always a pleasure to work with him. I wish him every success in his new department.

In the remarks he made on April 21, the member for Joliette-L'Assomption-Montcalm

[Mr. Muir (Cape Breton North and Victoria).]

(Mr. Pigeon) said something that must be corrected, because it does not represent the facts exactly as they are.

After a previous question, he asked the minister what was the language taught to the Eskimos, in addition to their own Eskimo language. The minister replied that for a number of reasons, mainly of an economic nature, it was the English language.

So far so good. Mind you, Mr. Chairman, I am not criticizing the minister I know how difficult these things are. In fact, we cannot always do as we wish very often, our actions are dictated by economic factors, even if we do not exactly like it.

Following that reply, the member for Joliette-L'Assomption-Montcalm said this:

> Mr. Chairman, may I add that that situation was created and has existed since 1949, in other words, under the Liberal administration of which the member for Laurier (Mr. Chevrier), as minister of transport, was a member, as was Mr. Jean Lesage, the present premier of Quebec, as minister of northern affairs and national resources and who was therefore chiefly responsible for that situation.

Mr. Chairman, the language taught in northern Canada has always been a problem, and that problem cannot be settled by the present minister any more than it could be by the former minister. Mind you, if the hon. member for Joliette-L'Assomption-Montcalm was trying to make political capital out of it, I would be the last to blame him.

In fact, I think it is fair and resonable that an hon. member should try to make political capital even in this house. But one must also be generous to abstain from imputing motives to those who are being criticized.

The hon. member for Joliette-L'Assomption-Montcalm did not say exactly that the intentions of the Liberal predecessor of the present minister were bad, but he got around the difficulty and implied that the minister did not go too much out of his way and did not try to improve the situation.

Well, we find—and I say so for the benefit of the hon. member for Joliette-L'Assomption-Montcalm—in the budget discussion on Monday, March 28, 1955, a statement made by the then minister of northern affairs and national resources, Mr. Jean Lesage.

> Those projects were discussed at length with bishop Marsh, of the Church of England, and Msgr. Trocellier, of the Catholic church. Both agreed that it is the best program likely to meet the needs in the north and to cope with the difficulties which became greater these last few years because of inadequate school facilities for the children of both religions in the different localities.

We realize, in the light of that text, that the then minister intended to improve the situation.

I am convinced that, even if the present minister does not have much success in this regard, it is not from a lack of good will. In fact, he is one of the hon. members who have always displayed much good will.

Mr. Chairman, I only wanted to stress this: when one makes political hay one must do it carefully so as not to belittle in any way those who used to be in power and who had intended to do right.

(Text):

Mr. Legere: As I rise to take part in this debate on the estimates of the Department of Northern Affairs and National Resources I do so in the spirit of co-operation and in support of what previous members from Nova Scotia have advocated for the betterment of our province so appropriately known as the ocean's playground. I am proud to be from this peninsula—the most weather beaten province of the dominion—one that has stood the test of time. What Nova Scotia lacks in size is more than made up in rugged scenic beauty that so invitingly attracts tourists from other lands.

I was delighted when an invitation was extended to the minister to visit Cape Breton and the Cabot trail. Mention, and rightly so, was made of historical Louisburg. Interesting and varied relics recall here part of Canada's history in its early days and attest to the truth of the fight for supremacy in Canada by two great races. One relives the days of the pioneers' privation and hardships and sees today that all of this was not in vain.

However, in the same spirit that prompted previous Nova Scotia members, and not forgetting that my people think also in terms of equal distribution, and in the knowledge that a fair appraisal cannot be given before all is seen and explored, I open wide to the minister the constituency doors of Shelburne-Yarmouth-Clare. Do come on in and browse around and enjoy here the pause that refreshes. I ask him to enter, and I am sure that once he browses around he will indeed find the pause that refreshes.

I need not point out historical facts and events relating to my area of southwestern Nova Scotia. This has been done admirably by the town fathers of Shelburne town. Clare's yearly and colourful Acadian festival vividly succeeds in this historial revival.

(Translation):

At this point in my remarks, Mr. Chairman, I would like, with your permission, to pay homage to my friends the Acadians of Baie Ste. Marie. I would like to tell them the high regard in which their yearly festival is held, showing as it does that if they have not entirely forgotten, they have at least forgiven, thus giving a magnificent example to the rest of the world.

(Text):

This year from July 23 to July 29 the Yarmouth "bicenturama" will, after its celebration, leave no doubt in the minds of the visitors fortunate enough to attend, why Yarmouth is called the gateway to the maritimes, and convince those who come to view that they should stay longer than they planned.

We also have natural attractions; nature has seen and still sees to that. We have plenty of trout filled lakes, winding highways and byways, scenery that is rugged and as eye catching as any sea lashed coast in the world, a marine life second to none in the world—in reality a nimrod's delight—a wild life that continues to test and try the skill of sportsmen, amateur and professional. The giant tuna lurks in our waters and still challenges sportsmen from all over the world. Schooling pollock gather close to our shore, frolic and swish in playful fashion at the edge of a turbulent riptide. Oftentimes they seek still waters and in so doing whet the exuberance of youth and stimulate the fading eagerness of the aged.

Mr. Chairman, I should like to believe that the minister agrees that such a setting and tourist attraction should be enhanced by the establishment of a national park. In the nature of suggestion, and wishing to forsake any idea of dictating, I would like to see a marine life display implemented within the confines of a national park. I can assure the minister that our sea coast lends itself admirably well toward this combination of nature's attractions, housed within the sanctuary of a park, to entice greater numbers of tourists to sojourn where perhaps they only intended to linger. At this moment I cannot foresee such a national park housing a marine life display without the presence of the lordly lobster, unconcerned in his migration, taunted by the silvery haddock, shadowed by the silent cod, fearful of the grey seal's acrobatics, and attempting to capture the elusive pollock, all of this viewed by the motionless and almost unseen halibut.

Mr. Chairman, I have indicated what nature has provided us in southwestern Nova Scotia, and I anticipate that the minister will do his share. I should like to indicate what the people there have done for themselves. In the provision of tourist facilities, they have set up many roadside tables, trailer campsites, have built motels and renovated hotels. I am sure that the minister will be most helpful in seeing that these are continually filled to capacity.

I would also like to point out in conclusion that accompanied by what the minister will

give us, what our people have provided is the friendly and warm hospitality of a people ambitious to forge ahead and prosper.

Mr. McGrath: Mr. Chairman, I should like to speak for a few minutes in support of my distinguished friend the hon. member for Bonavista-Twillingate, in respect of the arguments he advanced regarding an appropriate monument to mark the landfall of John Cabot, or John Caboto, depending on the part of the country you hail from.

I would suggest that, by and large, it is time that the government of Canada, with the research, knowledge and advice of its experts, should adjudicate on this controversy, deciding once and for all where the landfall of John Cabot actually was because, in essence, Cabot is the only discoverer of Canada. There are hon. gentlemen sitting in other parts of the house who would debate this subject and who would advance arguments in favour of Jacques Cartier, but I will compromise with those gentlemen, who are welcome to their historical traditions and opinions, by recommending the establishment of a discovery day for Canada and recognition of Jacques Cartier and John Cabot as the co-discoverers. I think hon. members will agree that half a loaf is better than none at all. I do believe, however, that we should honour the day on which these early navigators and adventurers discovered this then unknown land. I think that historic day should be marked appropriately.

The traditional landfall of John Cabot is cape Bonavista, which is in the constituency of my hon. friend opposite. There is substantial historical evidence to support this contention, and I do feel that it at least warrants study and earnest consideration by the historic sites and monuments board. I believe that the Minister of Northern Affairs and National Resources, with the enthusiasm, vigour and earnestness he brings to that department, will see to it that the proper study and attention are given to this subject.

There are those individuals who will say that John Cabot landed at Cape Breton in 1497, but in actual fact the argument in support of that is less than 50 years old. All that one has in support of that argument is a map supposedly drawn or drafted by the son of John Cabot, John Sebastian Cabot. There is at the present time, however, a very earnest study being made of this subject by learned scholars and historians. One learned historian at the university of Miami in the United States has substantial evidence to support the theory that John Cabot did in fact land at Cape Breton, but that several years before his landfall there he had in fact visited the island of Newfoundland. I am sure that in arguing today in support of the Newfoundland landfall the hon. member for Bonavista-Twillingate advanced the argument that the name "Bonavista" is derived from the fact that when Cabot, the Genoese navigator and adventurer, sighted the first landfall he is alleged to have said, "O Buena vista", which means "O happy sight". I am sure my learned friend from Bonavista-Twillingate probably said the same thing in 1953—

Mr. Pickersgill: That is right.

Mr. McGrath: —because it has in fact been a happy sight for him. But I do believe that this site should be marked. I think there is substantial evidence to support the cape Bonavista landfall.

In the vicinity of cape Bonavista there is being developed—it is practically completed—a national park called Terra Nova park. It will certainly supplement the development of this park if consideration were to be given to erecting a monument on cape Bonavista to mark the landfall of what I think and what many people today are coming around to believe was the first landfall of Cabot in what is now known as Canada. In that respect, Mr. Chairman, one would wonder, whether John Cabot landed at cape Bonavista in 1494 or in Cape Breton in 1497, what would go through the mind of this Genoese navigator from Bristol if he were to return to the scene of his triumph some 450 years later? One would wonder what he would find. Well, I have no doubt that the old mariner would be much impressed with what he would find. Perhaps amongst the least significant things he would find would be the fact that there was one who had followed in his footsteps some 450 years later. Perhaps they had a little in common in that Cabot was an adventurer and a navigator from Genoa sailing out of Bristol and Pickersgill was a navigator, and a landlocked navigator sailing out of Manitoba in a prairie schooner.

Mr. Muir (Cape Breton North and Victoria): I wish to make a correction so that the minister will not be misinformed. I should like to advise him not to lose too much sleep about all these markers and monuments because there already is a monument, a cairn, and bust of John Cabot on the northern tip of Cape Breton island, marking the spot where Cabot landed, erected there by the Cape Breton historical society.

Mr. Batten: That was the second time.

Mr. Macquarrie: It gives me the greatest pleasure to congratulate a long time friend of mine, the present minister, who is adding so greatly to the cabinet by his heading of this important department. He is a man who,

while aggressive and able, is also agreeable and is entertained in high regard by hon. members in this house. I look forward to great things from the new minister; among those a greater impetus in the program with respect to the international peace garden between Manitoba and North Dakota in the riding of Brandon-Souris.

I heard my colleagues from the province of Nova Scotia inviting the minister to come down and visit them. One member wants him to go skiing in Cape Breton and another member wants him to come across the south shore. It was suggested that he might go to the places that Cabot visited, although there is some difference of opinion as to what those actually were. Before he was minister I was fortunate enough to have the hon. gentleman come to Prince Edward Island and he was good enough to launch my campaign in 1956. I look forward to his return. If he returns he will find that in the years since 1956 because of certain changes which have taken place in Ottawa and in Charlottetown that Prince Edward Island generally is an even more beautiful place than it was at that time.

I listened to the learned and hon. gentlemen discuss history tonight. I am not going away back into historical researches; I am going to talk only about the tourist business. In Prince Edward Island, of course, we consider that Jacques Cartier was our first tourist. I go back only as far as 1534 when that great man was in our province. He stopped there and he said it was not only the fairest land that he had ever seen but indeed one could not conceive of a fairer. He referred to certain other parts of what is now Canada as probably being the land that God gave to Cain, but he did not say that about Prince Edward Island. He was our first and one of our most appreciative visitors from Europe.

The department which the minister heads has contributed in no small measure to the improvement in our economy and indeed in our spirits in Prince Edward Island, which I mentioned just a moment ago. The roads to resources program has stimulated the greatest highway construction program that Prince Edward Island has ever known in its long history. We are proud of the fact that—I hope my hon. friend from Cape Breton North and Victoria will not take exception to this—the Prince Edward Island national park tops all other parks in Canada in the increase in tourists in the last year. We had over 412,000 people come to that beautiful park on the north side of Prince Edward Island and the north side of Queens county. For many years the national park stood there. A program of development was seemingly much retarded. It is only in recent years that great development programs have been proceeded with.

I can say that while the number of visitors to the province of Prince Edward Island is increasing, the province is able to look after them well and they will be welcomed. We will do an even better job if the Minister of Public Works will construct a causeway because they will come to us so much more quickly. Perhaps this is not the time to go into that matter, nor is this the department under which to discuss it.

I think the minister can look with satisfaction upon the results in my province of the campsite program. We have had many new developments on some beautiful sites. It is said, of course, that the whole of Prince Edward Island could be a park, but new sites have been developed. I think this is a splendid program and I would commend to the minister, lest he think that I am incapable of suggesting that there are areas within his department capable of being improved, that perhaps the campsite program might easily be geared to the roads to resources program and not exclusively to the trans-Canada highway.

I do not know how many hon. members know that much of the increase in tourist activity in recent years in the Atlantic provinces stems from the excellent and special program of the Canadian government travel bureau. The recent setting aside of $300,000 for special advertising in the eastern states, with emphasis upon the Atlantic provinces, has borne great fruit. I think the suggestion that has been offered by the hon. member for Queens-Lunenburg for a heavier concentration of activity in this connection in the United Kingdom is a good one. We rejoice in the Atlantic provinces that just a year ago Halifax was linked in direct T.C.A. contact with the United Kingdom. This will prevent the unfortunate tendency that sometimes prevails when visitors from the United Kingdom and Europe make a visit to Canada. Often they started in Montreal and moved westward. This is now no longer necessary.

A special project of much interest to me is the Fort Amherst historic park. Prince Edward Island has an interesting history under French occupation and then early days as an English colony and many years as a province in confederation. The site of Port Lajoie and Fort Amherst is specially suited for a park. I commend them for developing it. I realize that these projects have a great archaeological historical development and much study, but I would suggest that even though the site has lain there for a couple of centuries without development that perhaps even though it is an historic spot, a

little speed would not be amiss in the development of that project on the south side of Prince Edward Island.

I was almost tempted to follow the line of some of the learned speakers who have preceded me and I think it is commendable we have given some time to a discussion and appraisal of, and perhaps even disagreement over, our historic sites. Many Nova Scotians have spoken tonight. I should like to put on the record the words of one of the greatest Nova Scotians who began as a Liberal and ended, I think you might say, as a Conservative. I refer not to the great Sir Robert Borden who did the same thing but to an earlier man, Joseph Howe, who said:

> A wise nation preserves its records, gathers up its muniments, decorates the tombs of its illustrious dead, repairs its great public structures, and fosters national pride and love of country, by perpetual reference to the sacrifices and glories of the past.

We have done so tonight. We have gone back to Cabot, Jacques Cartier, Leif Ericsson and Eric the Red. I can only say that very soon in Prince Edward Island we are going back in a similar way to 1864. I have the honour of representing the city of Charlottetown where confederation was born and I know that the minister, with his great historic knowledge, with his imaginative view of a developing Canadianism, will want to play a major part in the celebrations that will take place in the capital of the province of Prince Edward Island in 1964. We are not unaware nor unappreciative of the fact that a great building is to be constructed in honour and commemoration of this event, that the various provinces of Canada are signifying their interest in and appreciation of the event and that the dominion government through the Prime Minister has pledged its support for this great and happy celebration to which all of our people look forward.

I hope that when the minister is through travelling in Nova Scotia—my colleagues there are going to keep him busy because they are suggesting national parks here and there—he will come to Prince Edward Island for a rest. Our province is small. I can show him in a couple of days all the places where we want new parks and then he can have a rest. I wish him well in his endeavours and to show how kindly I am in my regard I will terminate my remarks at this juncture.

Mr. Benidickson: Mr. Chairman, I want to offer my congratulations to the minister as this is the first opportunity I have had to do so since his appointment to this high office. We have much in common with our backgrounds in Manitoba. There is a saying among Canadians of Icelandic descent that we must all be cousins because our population is so small, and I am sure that his wife and I are perhaps cousins.

My point in rising is to ask whether there is anything in the estimates with relation to what is called a civic centre appropriation in Banff, Alberta. When the minister has a chance to reply perhaps he would give us that information. I have tried to look through the estimates and I do not find anything specifically along this line.

It is a very healthy thing that people in Canada occasionally advance to members of the opposition suggestions that certain things should be queried. That is very desirable and I must confess that this information came to me in that way. The minister was in the opposition at one time and he knows the value of this kind of query. Before the first item is passed, would the minister indicate whether or not my information from an outside source is correct that there is in the estimates $350,000 for a civic centre in Banff? If so, what are the reasons for it? I do not want to quarrel with the member in whose constituency Banff lies, but is this something that can be applied as a national policy across the board if other centres have the same justification?

Mr. Nielsen: Mr. Chairman, when I last spoke on these estimates I indicated there were two other sectors of the northern economy that I wanted to cover before the first item was passed. On April 21 I dealt with the question of the political development of the Yukon particularly and now I want to deal with the material and resource development of the north.

While I have been very interested in the remarks maritime members have made tonight concerning the development of national parks, tourism and the like, I believe the committee is glossing over the main activity of the department in the development of what constitutes 40 per cent of the territory of our nation. The material and resource development of the northern portions of Canada are most important to the future national economic growth of this country. These regions are rich beyond measure in natural resources, in mineral products for which demand is growing throughout the whole world day by day. Rare minerals are being required in ever-increasing quantities by those engaged in the race for outer space.

For the purpose of organizing the efficient search for and development of the mineral resources of the north, one of the most vital sectors in which the department should be interesting itself, and I am sure the minister is aware of this, is the field of research. I have spoken on previous occasions in the

house this session about the need for northern research. The need of a co-ordinated research program in the north is very vital to research development which ultimately will benefit the whole nation.

The need of research in the field of transportation is one of the most vital sectors on which the department should be focusing its attention. One of the more urgent requirements is a complete assessment of the transportation needs of the Mackenzie river watershed in the Northwest Territories. Transportation problems in this area are rapidly developing to a point where they are going to cause real difficulties from the point of view of the requirements of the area. The research efforts of the federal departments should be directed toward the field of communication and navigation systems in the north generally, particularly telephone and telegraph communications, railroads and radio. New methods of transportation and new methods of communication are vital to orderly development in these northern regions.

The development of new types of transportation vehicles such as the Letourneau Monster, is one early result of scientific ingenuity in this field. I believe there are even more startling vehicles and modes of transportation on the drawing boards today. There should be some co-ordination of effort in the gathering of information on the manufacturing of tires and equipment, information now available in the armed forces, information which has been garnered by soldiers, airmen and naval personnel who have had experience in these regions. There should be co-ordination of information which has been gathered by research agencies, engine manufacturers and the like; research in the field of transportation systems, economic routes and load analyses. I believe the department should take the lead here in co-ordinating the efforts of the Department of Transport, the armed forces, the railroad industries and of transportation consultants generally.

In other words, there should be research, first in the selection and integration of existing forms of travel in the north, on land, sea, air, rail and pipe line. It is not inconceivable that the oil resources of the north will perhaps one day be transported by means of some sort of plastic pipe line. The British have made great strides in this field by towing a sort of plastic sausage in which oil products are carried behind a submarine. The efforts of the Department of Transport and those of the Department of National Defence should be co-ordinated and related in this field. There should be research into the climate, terrain, exploration methods, survey methods. There should be research into soil mechanics and terradynamics, power generation, atomic power, hydro, thermal and diesel.

It is interesting to note that progress has been made by the Soviet union in the field of research in these sectors. I should like to quote from the Soviet news bulletin, which is undated but of recent vintage, an article concerned with northern research. I quote:

> Gordon Robertson, Canada's deputy minister of northern affairs and national resources in his speech to parliament said that "the U.S.S.R. is ahead of Canada in the development of the northern regions, and it is high time for us to admit it. Soviet union engages in vast research work in the north. U.S.S.R. has done more in this respect than all the countries of the world put together." The symposium on the problems of development of Canada's northwestern regions of 1958, stressed the need of assimilating from the Russians the principle of planning in solving the questions of development of the northern areas.

The article continues in a like vein. I believe we have a good deal to learn from the Russian efforts in the north. At the risk of being quoted in the Soviet news bulletin, I would suggest that it might prove useful if the minister were to arrange for the freest possible exchange of information between the officials of his department and those engaged in similar efforts in the Soviet union. I think we could learn a good deal from the efforts of the Soviet union, and I am sure they could learn a good deal from our own efforts in the north.

One of the newest institutes of an academic nature to make its entry into the field has been the Boreal institute of the university of Alberta. The object of this recently formed institute is to do research along the same lines as that of the Arctic institute which has its headquarters, as the minister knows, in Montreal. One of the objects of the Boreal institute, which incidentally is prepared to make a go of it on an initial capital of $10,000, is to provide an information centre, training and inspection, and to undertake, co-ordinate and administer research in the north. I have a statement of the objectives of the Boreal institute which I shall be glad to pass along to the minister if he has not a copy of it, as I suspect he has. Institutes like these are very deserving of the support of the federal government by way of grants to further this very necessary and vital work to the future economic benefit of Canada.

When we were last discussing these estimates, the hon. member for Maisonneuve-Rosemont asked me a question which can be found at page 3882 of *Hansard* for April 21. He asked me if I was aware of the fact that other federal government departments had made substantial expenditures in our northern areas. I have requested the officials of the

department of northern affairs to obtain for me some statistics in this regard. While they are not lengthy, I do not wish to bore the committee by reading them now. I would ask permission, at this stage, Mr. Chairman, to have these statistics which have been provided by the officials of the northern affairs department printed in *Hansard*.

The Acting Chairman (Mr. MacEwan): Would the hon. member give the source of his statistics?

Mr. Nielsen: Yes, I did. They were prepared by the officials of the department of northern affairs.

Mr. Pickersgill: What are they about?

Mr. Nielsen: They show the expenditures of all federal government departments in the Yukon and Northwest Territories from 1952 to date. There are other expenditures of the department itself in the Yukon and Northwest Territories covering this period.

Mr. Benidickson: Is it about a page in length?

Mr. Nielsen: I have four pages of statistics here.

The Acting Chairman (Mr. MacEwan): Has the hon. member unanimous consent to have these statistics printed in *Hansard* at this point?

Some hon. Members: Agreed.

[*Editor's note: The statistics above referred to, follow:*]

OIL AND GAS

EXPLORATORY EXPENDITURES

N.W.T. AND Y.T.

1953	$ 311,454	1957	$ 2,630,933
1954	2,277,570	1958	2,851,315
1955	2,575,736	1959	7,790,429
1956	3,179,819	1960	19,327,279
	$ 8,344,579		$ 32,599,956

FEDERAL REVENUE FROM OIL AND GAS

	N.W.T.	Y.T.	TOTAL
1953–54	$ 104,588	$ 6,100	$ 110,688
1954–55	293,654	17,331	310,985
1955–56	568,220	875	569,095
1956–57	566,178	66,488	632,666
	$ 1,532,640	$ 90,794	$ 1,623,434
1957–58	$ 823,456	$ 92,209	$ 915,665
1958–59	6,614,331	1,548,315	8,162,646
1959–60	986,105	40,078	1,026,183
1960–61	1,836,797	5,916	1,842,713
	$ 10,260,689	$ 1,686,518	$ 11,947,207

REVENUE AND EXPENDITURE

ALL FEDERAL DEPARTMENTS

	Northwest Territories		Yukon Territory	
	Revenue	Expenditure	Revenue	Expenditure
	$	$	$	$
1952–53	684,699	9,719,751	3,478,288	4,292,908
1953–54	581,909	11,056,471	3,517,776	10,266,511
1954–55	851,938	11,862,140	4,099,114	10,713,505
1955–56	1,993,818	13,823,959	4,005,349	10,969,791
	4,112,364	46,462,321	15,100,527	36,242,715
1956–57	2,337,296	20,952,972	3,841,061	13,707,704
1957–58	2,856,750	34,430,168	3,815,314	20,037,108
1958–59	9,360,866	47,153,464	5,522,951	24,195,043
1959–60	6,631,304	54,307,989	4,809,600	21,977,033
	21,186,216	156,844,593	17,988,926	79,916,888

NOTE—Records for these Territories are not kept separately and the divisions are approximate.

NORTHERN AFFAIRS AND NATIONAL RESOURCES

EXPENDITURES IN NORTHERN CANADA

	1952–53	1953–54	1954–55	1955–56	1956–57	Total—5 Year Period
	$	$	$	$	$	$
1. Administration and Operation, including Purchase of Equipment	2,990,034	2,798,709	3,428,453	4,753,726	6,442,202	20,413,124
2. Construction in Territories:						
a) Yukon Territory						
(i) Contributions—Airstrips and Road Construction and Maintenance	222,394	320,164	250,530	378,000	279,519	1,450,607
(ii) Contributions—Territorial Schools	—	—	14,000	18,290	—	32,290
(iii) Federal Roads and Bridges	9,905	—	35,050	410,820	494,213	949,988
(iv) Buildings and Works	235,010	29,978	43,008	79,473	42,958	430,427
	467,309	350,142	342,588	886,583	816,690	2,863,312
					Average per year	572,663
b) N.W.T., Wood Buffalo Park, Northern Quebec and Manitoba						
(i) Contributions—Airstrips and Road Construction and Maintenance	—	—	—	2,781	138,288	141,069
(ii) Federal Roads and Bridges	39,382	2,620	2,501	131,496	1,640,994	1,816,993
(iii) Federal Schools	—	132,441	75,288	280,395	520,782	1,008,906
(iv) Federal Hostels	—	—	—	24,544	629,120	653,664
(v) Other Federal Buildings and Works	118,545	201,377	249,814	530,127	1,909,144	3,009,007
	157,927	336,438	327,603	969,343	4,838,328	6,629,639
					Average per year	1,325,928
TOTAL—Northern Administration Branch Expenditures	3,615,270	3,485,289	4,098,644	6,609,652	12,097,220	29,906,075
					Average per year	5,981,215

Major steel highway bridges constructed during period—2 completed and 2 commenced
Roads built—Development or equivalent standard—50 miles
Airstrips built with federal contributions—Nil

NORTHERN AFFAIRS AND NATIONAL RESOURCES

EXPENDITURES IN NORTHERN CANADA

	1957-58	1958-59	1959-60	1960-61 (Forecast)	1961-62 (Estimates)	Total 5 year Period
	$	$	$	$	$	$
1. Administration and Operation, including Purchase of Equipment....	6,870,490	9,256,453	13,683,060	11,490,000	18,916,818	115,026,821
2. Construction in Territories:						
a) Yukon Territory						
(i) Contributions—Airstrips and Road Construction and Maintenance.....	267,374	—	5,602	20,000	20,000	312,976
(ii) Contributions—Territorial Schools.....	—	—	—	16,000	130,000	146,000
(iii) Federal Roads and Bridges...	480,942	2,235,609	4,172,705	3,400,000	5,073,000	15,362,256
(iv) Buildings and Works.....	66,153	119,027	116,710	160,000	199,000	660,890
	814,469	2,354,636	4,295,017	3,596,000	5,422,000	16,482,122
					Average per year	*3,296,425*
b) N.W.T., Wood Buffalo Park, Northern Quebec and Manitoba						
(i) Contributions—Airstrips and Road Construction and Maintenance.....	11,468	41,618	9,967	80,000	87,500	230,553
(ii) Federal Roads and Bridges...	3,716,319	3,811,663	4,595,881	3,825,000	3,955,000	19,903,863
(iii) Federal Schools.....	1,768,533	2,052,898	1,203,175	1,000,000	1,108,500	7,133,106
(iv) Federal Hostels.....	3,018,457	2,802,788	1,204,576	340,000	527,500	7,893,32
(v) Other Federal Buildings and Works.....	2,378,238	5,262,630	5,746,418	7,750,000	4,603,400	25,740,686
	10,893,015	13,971,597	12,760,017	12,995,000	10,281,900	60,901,529
					Average per year	*12,180,306*
TOTAL—Northern Administration Branch Expenditures.....	18,577,974	25,582,686	30,738,094	28,081,000	34,620,718	137,600,472
					Average per year	*27,520,094*

Major steel highway bridges constructed during period—completed 2 started in previous period and built 5 additional.

Roads built—Development or equivalent standard—377 miles.

Airstrips built with federal contributions—4.

Mr. Nielsen: I want to turn for just a moment to the material concerning resources development in the Yukon and Northwest Territories and the expenditures on the development of roads and bridges in those two areas. The Department of Northern Affairs and National Resources during the years 1952 and 1957 spent the sum of $2.5 million in the Yukon and $1,150,000 in the Northwest Territories for these objects. During the period 1957-1962 over $16 million was spent in the Yukon Territory and $20 million in the Northwest Territories, so it can readily be seen that the comparison between the two periods is quite startling.

The point I wish to make in connection with these expenditures is simply this, that whereas from reaching a point six years ago where virtually no development was taking place in these northern regions—which development, I submit to the hon. member and his colleagues opposite, is very, very beneficial to the future economy of this nation—there is now a substantial development taking place.

The Leader of the Opposition and other hon. members opposite have very often taken issue with the northern development policies of this government. The hon. member for Burin-Burgeo last Friday became quite emotional on this point and said that all these plans had been laid by the previous administration.

The hon. member for Richelieu-Vercheres has said this in the past, as has the Leader

[The Deputy Chairman.]

of the Opposition. These hon. members have said that all the plans were laid by the previous administration and all that was being done was that this government was carrying them into effect. In effect they were saying, "These were our plans. We should get the credit for this. We are all for this road development program. We are all for the blossoming forth of the north as a resource reservoir for the nation.

I think these gentlemen should get together with the leader of their party, for I can recall that on several occasions in 1958 their leader ridiculed the plans of the government with regard to northern development. These hon. members ridiculed speeches which our Prime Minister was making across the country and which the Leader of the Opposition was ridiculing just as fast as he followed the Prime Minister's campaign trail across the country.

In Swift Current, on February 27, 1958, the Leader of the Opposition classed these roads as "roads from igloo to igloo". This is the famous "igloo to igloo" statement.

I am sure the Leader of the Opposition, as well as all hon. members opposite, will be happy to know that this particular road which was classed as one from igloo to igloo is now approaching the site of the first oil well which was brought in in the Yukon Territory in 1959; and another oil well is being drilled now in the same area.

I am sure, too, that the same critics of this road program will be happy to know that as a direct result of this program there has been discovered on the boundary of the Yukon-Northwest Territories, at a place called Flat river, the world's largest known tungsten deposit, a deposit which it is anticipated will be sufficient to supply the whole of the considerable United States' demands for tungsten, a very strategic metal in these days of space achievement and space striving.

I can recall another statement having been made by the Leader of the Opposition. This was in Vancouver on September 27, 1958, when he said:

> Diefenbaker's promise of a billion dollar public works program in the Arctic is the phoniest promise ever made in Canadian history.

I think the statistics I have tabled will show that, far from being the phoniest promise in Canadian history, it has proved to be the most realistic achievement of any government in Canadian history.

Contrast it with an average annual expenditure of all federal government departments, for the period 1952 to 1957, of $46 million in the Northwest Territories and $36 million in the Yukon Territory. In the same period of years, 1957 to 1962, in the Northwest Territories $156 million will be expended; and in the Yukon Territory, $79,916,888, which is almost $80 million. Therefore when I said that all federal departments had increased their expenditures fivefold, I was not too far out in my estimation.

I wish to deal for a moment with the minister's announcement yesterday of the assistance program which his department is planning in the construction and maintenance of access roads to stimulate exploration, prospecting and development of the mineral resources of the north.

This is a very necessary policy which the government has very wisely adopted. This should be contrasted with the policy of the previous government, which was, "You show us that you have a resource; show us that you have an ore body that is worthy of development and we will build the road. There will be no assistance in road building until you can prove to our satisfaction that you have an ore body that has been proven."

Mr. Chairman, this is putting the cart before the horse, because in order to develop the resources of this vast area in the north there must be a stimulus given to exploration and prospecting. The only way that stimulus will come about is for the government to be interested financially in the field of resource exploration.

Before I leave the subject of roads, Mr. Chairman, I should like to remind the minister that he has a study under way concerning the all-weather maintenance of the Haines cut-off. I should like the minister to comment at some stage during the discussion of his estimates on the results of this survey, if they are yet available, because I believe the maintenance of the Haines cut-off as an all-weather road is essential to efficient resource development in the Yukon territory.

I should also very urgently press the minister to consider carrying out an engineering survey, and an economic survey which should perhaps precede the engineering survey, of a highway link between Carcross and Skagway. This has been discussed by many organizations in the Pacific northwest, not only in the Yukon, as an essential link in order to effectively develop the resources of the area.

The other matter I wish to discuss before I leave the subject of resources generally is that of changes in the Yukon Quartz Mining Act and the Yukon Placer Mining Act. As the minister has explained in the house on more than one occasion, the Canada mining regulations which were recently passed do not apply to the Yukon territory.

I well recall reading about the effort that was made by the previous administration to

alter the Yukon Quartz Mining Act so as to include the power to make regulations under that act. The member for the Yukon at the time—the Liberal member for the Yukon at the time, I may say—moved that the bill which was introduced by Mr. Lesage not be read a second time. He was supported in that motion by the now Secretary of State for External Affairs.

I urge the minister, in considering any alterations to the Yukon Quartz Mining Act and the Yukon Placer Mining Act, to have the fullest and most complete discussions with the mining fraternity and the mining industry in the Yukon territory. Also, the Yukon legislative council, which speaks for the people there, as their own local legislature, is a competent body capable of assessing the effect of any contemplated changes in this legislation. It would be a very sad thing indeed if any move were made to alter these two existing pieces of legislation which now guarantee to the mining people in the Yukon territory a set of rules which they understand and to which they adhere in their efforts to develop mineral resources.

I want to say a brief word about tourism in the north and to commend the department for the large support which it is giving to the Klondike festival at Dawson city, a project which is being organized by the Klondike festival foundation at Dawson city, the main planning being directed by Mr. Tom Patterson who was the founder of the Stratford festival. The date of the Klondike festival has been set for 1962 and it is expected the event will double or triple tourist travel in this area of Canada.

I should like the minister to bring the committee up to date concerning the plans which have been evolved for the establishment of a national park in the Yukon territory. I know the department had plans and I know that the idea was submitted to the Yukon legislative council and has been considered by them, but I am not aware of the recent departmental thinking along these lines.

I feel, too, that the minister and his department should take the lead in the formation of a public utilities commission in the Yukon territory. I am not aware whether there is a public utilities commission in the Northwest Territories but I can tell the minister that there is no such commission in the Yukon. This has brought about a situation where there is a possibility of rates which are abusive being charged by public utilities in the area. I am not suggesting that this is the case at the moment. The rates charged by the electrical utility in Whitehorse have, indeed, been reduced recently but it is possible that if the minister were to use his good offices to encourage the establishment of a utilities commission a much greater control could be exercised in this regard.

Another area in which I feel the time has long passed for action concerns the establishment of a securities commission in the Yukon Territory so that these fly by night promoters will be precluded from forming spurious companies and selling spurious stock to unsuspecting buyers on the basis of resource developments in the north. I am sure all hon. members have heard of the famous Mr. Caldough who was extradited from England and who is now in Vancouver charged with fraud arising from the sale of spurious stock. It is interesting to note that Mr. Caldough's basis for the sale of these stocks was property in the oil development areas of the Yukon Territory. This is a very great omission in the Yukon. I think this is the only area in Canada which is now without the protection I have suggested.

These remarks conclude what I have to say concerning resource development in the north, and I am left with only one sector to cover. I should like to do this before the first item passes. It deals with human development. At the pleasure of the committee I will speak at another time on this item, or I can proceed now. I shall be about another 15 minutes.

Mr. Benidickson: The hon. member for Yukon always makes a useful contribution to our debates and I think this is the appropriate time to ask him a question. I did not do so while he was speaking. As I understood him, he began by saying, as the burden of his argument, that the new government was doing things in the policy field different from those which had been done by the previous government. In support of that contention I think he referred simply to the fact that certain items of expenditure have been greater since the new government took office. I wonder if the hon. member would indicate to us what new policies have been introduced since the change of administration irrespective of expenditure on old policies such as he was discussing?

Mr. Nielsen: I should be very glad to do that. There are two important sectors, and the first one is this. Our future in the north is bound to be a mining future. I think that is agreed. The policy of the previous government with respect to development roads was this; "You prove to us that you have an ore body capable of being developed, and we shall assist you in building a road." That policy has been reversed and the government is now building roads into potential resource areas without requiring any evidence of there being proven ore bodies there. It is doing this in order to develop the area generally. It is

taking a gamble, whereas the previous government was certainly not taking any risk. The point I make is that the gamble has paid off, and paid off very substantially.

Mr. Benidickson: The hon. member has not said where. What about the Pine Point railway proposition?

Mr. Nielsen: Well, that was, of course, a proposition which was thought of by the previous administration and it is now being built by this government.

Mr. Benidickson: It is not started yet and we have unemployment.

Mr. Nielsen: There is no difference in basic policy there, because there are proven resources already in that area. But the hon. member asked me a specific question concerning a difference in policy. This difference is very real and it is producing real results because whereas formerly there was nothing spent by the previous administration on speculative roads, which is what they are, the country is now being opened up on a large scale. Of course, this government would have been in very serious trouble if this policy had not paid off. The point is that it has paid off as anyone with faith in the north would realize it must pay off. I am happy to say that whereas Canada did not produce an ounce of tungsten, for instance, except in very special circumstances during the war, a new tungsten mine will open up in the Northwest Territories in 1962 which will be the world's largest single supplier of this product. This mine was discovered as a direct result of the policy of road building to which I have referred.

With the permission of the committee I will pass very briefly to the last section of my remarks. I want to cover the sector of human development in the north. When the statistics which I have put on record in *Hansard* are read by hon. members it will be realized that in the field of education very substantial increases have been made in the grants for the establishment of schools and for participation in educational developments in the north generally. I am very happy to see that this educational assistance has been extended with federal concurrence to the field of separate schools in the north as well.

Great strides have been made in the field of housing. Just how great they are can best be realized if I tell the members of the committee that before 1957 not one single dwelling unit had been constructed in the Yukon territory under the provisions of Central Mortgage and Housing Corporation, not because the people were not there to build them but because the terms of legislation were unworkable. In 1958 there was one building, in 1959 there were 16 buildings, and in 1960 there were 32 buildings. There are some 50 to 60 buildings under construction at the present time. These figures point out very dramatically the strides that have been made in this regard.

Mr. Benidickson: There has been a 1 per cent increase in interest to the purchaser since the former administration.

Mr. Nielsen: I am not an expert on interest rates as the hon. member for Kenora-Rainy River is, and I should not like to get into an argument with him regarding rates of interest. I do know that where none were built before, we have now 50 units a year going up in that area.

The other matter on which I should like to have the minister give me current information, has regard to the scheme for the development of lot 19 at Whitehorse, and the establishment of a home builders' loan fund for the people of the Yukon territory who desire to build their own homes.

There are one or two other very brief items I should like to draw to the minister's attention. The first is a matter which I have been asked to present by the miners of the Yukon territory concerning the question of income tax and workmen's compensation. Recently the international union of mine, mill and smelter workers of the Yukon, local 924, made a certain submission to the Yukon legislative council concerning the reduction in income tax, or rather an increase in the basic exemption allowed under taxing legislation. These submissions resulted in a motion made in the Yukon legislative council during their last session to the effect that all bona fide residents of the Yukon in the single category, not otherwise subsidized by the federal government, be given an additional tax exemption of $500; and second, that all bona fide residents of the Yukon in the married category, not otherwise subsidized by the federal government be given an additional exemption of $1,000 on their tax; and third, that all bona fide residents of the Yukon building their own private residences be allowed to depreciate these homes as a deductible item in respect of their tax.

I know this matter has been presented to this house under the previous administration. The reason advanced in support of this contention, which I am very grateful to learn is favoured by the deputy minister of the department, can best be summed up from the journals. It is set forth as follows:

—that to encourage people to stay in the Yukon, to create the permanency of settlement necessary to the full development of the north, certain inequalities in living costs as well as housing facilities will need to be adjusted. The large mining companies recognize this fact and to an extent subsidize housing for their employees. The

federal government also recognizes this added cost of living in the Yukon and subsidizes their employees by virtue of the isolated post allowance.

Then follows the resolution. I put this forward again for the minister's consideration, and perhaps the treasury board will take another look at the problem. I understand they have been the stumbling block in the past.

The question of workmen's compensation is a local problem but it is under the minister's jurisdiction in the sense that, as he knows, the same board that handles Yukon compensation cases handles the Northwest Territories compensation cases. For a long time the labour element in my constituency have been advocating a separate board for the Yukon territory so that claimants can be more expeditiously and fairly dealt with by a board which could assess claims on the spot.

I realize the committee has been very fair with me in allowing me to go over my allotted time in covering this rather large field. I should not have thought I would impose upon the committee to the extent I have, but had the hon. member for Mackenzie River been with us during the discussion of these estimates I perhaps would not have taken so much time. I have tried to be as non-partisan as I know he would have been, and I am sure he would support me in the submissions I have made concerning the Nothwest Territories in particular and the north generally. I should like to thank the committee for its courtesy.

Mr. Benidickson: Mr. Chairman, I thank the hon. member for Yukon for his statement and would ask him if I am right or wrong in assessing his statement when I say that he has suggested the difference between the former administration and the present administration is that the present administration would build a road irrespective of the economic report, on the grounds of providing additional employment without regard to the existence of a mine at the end of the road, or whether the project promised success or not. Is that what the hon. member has said?

Mr. Nielsen: Mr. Chairman, I have said quite the contrary of that. I said the former administration insisted upon knowing there was a mine at the other end of the road before it would even undertake to invest a penny in the project. For instance, I know that a submission was made to the former administration for building a winter road to the oil fields at Eagle Plain in the Yukon. This request was rejected because it was not in conformity with the policy of the former administration. In contrast to that policy the government is building a highway into this area which will carry all-weather traffic.

[Mr. Nielsen.]

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Chairman, I think you will agree that this has been a wide ranging discussion. As I pointed out in the brief opening statement, the Department of Northern Affairs and National Resources covers a wide range of fields. On the whole the discussion has been carried on a positive note, for which I should like to express my thanks to all hon. members who have contributed to the discussion in presenting many useful ideas during the course of the debate.

I am not going to take up the time of the committee by answering each point, but I assure hon. members that every point that has been raised during the course of this rather wide ranging discussion will be answered in the form of a letter.

One of the recurring items in the discussion, and this is of course inevitable, has been the question regarding who is responsible for the present pace of modern development. I do not intend to become involved in this subject tonight, other than by underlying the fact that, as the new Minister of the Department of Northern Affairs and National Resources, during the course of an extensive tour of all parts of the Arctic, which concluded last week end with a trip to the eastern Arctic ranging from Cambridge bay to Frobisher bay, I was tremendously impressed by the rapid pace of development and progress of Canada's Arctic. I think I should merely say that what I have seen has demonstrated to me, more effectively and dramatically than ever before, that Canada is a northern nation, with a northern economy and a northern destiny.

Fortunately, Mr. Chairman, a good many of the queries raised during the discussion have already been answered by the various hon. members who have spoken, and I refer particularly to the hon. member for the Yukon.

There was one particularly critical note during the discussion, and I should like to refer to it briefly in passing. I do so very kindly, because I am a teacher myself and I understand that when my hon. friend from Port Arthur made his references there was nothing personal involved. He is just one of those petulant pedagogues who view the scene from Mount Olympus which gives rise to the statement from time to time that those who can, do; those who cannot, teach. I do not agree with that statement because, being a member of the teaching profession myself, I know there are many in this profession who have made outstanding contributions in a practical and positive way as well as their contribution to the academic world.

Perhaps I have some helpful advice for the hon. member here this evening. I know there is nothing malicious or personal in his statements because in the current issue of *Maclean's* magazine he makes precisely the same statements regarding the group to which he belongs. I quote from page 26 the following words:

> Fisher's own party has not been immune to his critical darts. Shortly after the C.C.F. and the Canadian Labour Congress got their new party project under way, Fisher calmly told the Ontario convention of the C.C.F. that the party's tactics had been stupid and its strategy bad.

I do not think the remarks in reference to myself were as pointed as these observations. The article goes on to point out the difficulty, and it is here where I wish to be helpful. I go on to quote the hon. member as follows:

> All my life I've been searching for someone to look up to but my experience has always been to move from respect, almost awe, through understanding to a mild jeer. In the army, I thought I was involved in a great purpose, and then I realized that rank had almost no relation to ability. At university, I ended up completely disrespectful of most professors.

Mr. Fisher: Mr. Chairman, far be it from me to rise on a point of order, and I appreciate this publicity but as to its relevancy to the department I should like an explanation from the minister before he continues.

Mr. Dinsdale: I shall come to that point in one moment. I continue with the quotation:

> When I came to Ottawa, I thought I would at last find giants before whom I could stand in perennial respect. But I found no permanent idols here.

Therefore, if I could quote scripture, he has discovered that all his idols have feet of clay, which is the case in most human circumstances. But here is where I wish to be helpful, and here is where I become quite germane to the discussion under way. The hon. member was kind enough to make reference to a very important conference, namely the resources for tomorrow conference, which is scheduled for Montreal next October. I believe his was the only reference to the conference, and it provides me with an opportunity during the present discussion to underline the importance and the significance of the conference. He pointed out the fact that there had been a lack of suitable publicity. I hope this is not true because we have been successful in getting together a most qualified secretariat headed by a man of established reputation in the resources development field which for the past several months have been working early and late, in season and out of season, in order to get this conference under way. If there has been any neglect regarding publicity I think it might be on the part of hon. members themselves.

This parliament has a very important function and role to play in the promotion of the resources for tomorrow conference. There is no partisanship in this conference. It comes from the realization that the time is long past due when Canadians should get together the best brains, the people most qualified, and give serious consideration to the future development of our renewable resources.

The secretariat responsible for organizing the conference have issued bulletins which have been placed in the hands of all hon. members and if, as the hon. member for Port Arthur suggests, there are local publicity media in his constituency which have not heard of the conference I think it is easy to conclude where the difficulty lies. To the best of our ability and with all the means at our disposal we must all do our best to make this conference an outstanding success.

There is another point about the conference that I should like to mention. This is a co-operative venture between the federal and provincial governments. In planning for this conference there was no suggestion of precedence of one governmental level. It is a partnership among all levels of government. Those sitting on the steering committee are actually representative of the provincial and federal authorities, but also the municipal bodies have a responsibility in assisting in the promotion of this conference. There is no thought of a federal and a provincial conflict in this conference; it is a complete partnership all down the line, and this is exactly the way we want it to continue. Therefore, if my hon. friend is looking for a cause to pursue, looking for an idol, is in pursuit of the *summum bonum,* or the holy grail, there is something that he can give his attention to and in so doing make a contribution that will redound to posterity.

There was also some observation to the effect that nothing very much is going on in the north. I will not labour that point at all because what has been said in discussion already has more than refuted this point, but here is a field in which the hon. member for Port Arthur might be able to make an outstanding contribution. He is an educationist of some considerable repute. One of the programs that we are proudest of in the north is our rapid progress in education. Just three years ago 16 per cent of our own Eskimo children were in schools. Today that percentage has reached the 60 per cent level and we hope that within the next four years every Eskimo child will have the advantage of an education similar to that of any other Canadian child.

If as the hon. member for Port Arthur has indicated he does not feel he is making

a worth-while contribution in the house, I should like to suggest that there is tremendous scope in our educational program in the north, and we would be glad to welcome him into our program when he retires from this honourable house. I am sure he would find that in the north there is a real challenge that would test the mettle of the best of us.

There was another suggestion that the work of the committee on mines, forests and waters has been an exercise in futility and that nothing ever emerges from the committee. I should like to recite briefly the recommendations that have already been implemented during the past three years as a result of the deliberations of the committee. Water problems have been dealt with. There were 11 main recommendations and all except one have been implemented. The Nelson river system study that was recommended is in process at the present time. The idea of a long distance national power grid is under active study at the moment. The field of water pollution and abatement has been dealt with in legislation that was passed in the house last fall. Various water development programs such as the upper Thames program, the Parkhill dam and Ausable river conservation program are in process, and just the other day it was my privilege to announce co-operation with other authorities in the metro Toronto conservation plan.

The new forestry department which was recommended by the committee is now a fact. Travel bureau activities have been expanded, as has been indicated by various speakers during the course of the debate, and this year we are opening a new office in San Francisco. The productivity council, of course, was also an idea that came out of the deliberations of this important committee.

I could go on with other points. There is just one more I should like to mention. The hon. member for Port Arthur quoted from our official bulletin to the effect that morale was in a rather low state in the Mackenzie delta region, but he did not complete the quotation. It is quite true that this has been one of our most difficult areas because of the lack of resources but it is also one of the most encouraging areas for economic development at the present time, and if he had been completely objective academically in his presentation to the house he would have read the final sentence which is in these words:

> As a result, a program of improved resource harvesting will be started during 1960 leading to a more effective use of fish and sea mammals, the production of locally produced dog food, a logging program for housing, and the development of handicrafts and fur garments for commercial sale in the south.

[Mr. Dinsdale.]

This program is under way at the present time. I had the opportunity of seeing it in operation when I was in this area during the Easter recess.

Perhaps I might refer briefly to some of the other points raised. I could spend a long time dealing with the points raised by the hon. member for Yukon. He is most knowledgeable in this field and many times I go to him for advice and information when we are considering the problems of the north. There are just a few references I should perhaps make. He raised a query about a statement I was supposed to have made on the prospects of a new province north of the 60th parallel. I should merely like to say that I agree entirely with the view he expressed. This depends wholly on the increase in population and on the rapidity of development of the economy of the north. I say that from experience because my own province of Manitoba was carved out of the Northwest Territories and had to await the influx of population after the construction of the C.P.R. and the resultant economic development before it could be declared a separate province within confederation. We are anticipating the same process in the north. How long or how short it will be will depend entirely on the rate of progress and development of that important territory.

Mr. Nielsen: Before the minister leaves that point, may I say that he was fixed by the C.B.C. with a statement to the effect that he was advocating the joinder of the Mackenzie river district and the Yukon as a province. That is the point that has to be cleared up.

Mr. Dinsdale: From the standpoint of history and tradition and all other considerations that would be quite impossible because the Yukon is the Yukon and the Northwest Territories are the Northwest Territories and never the twain shall meet in interprovincial co-operation. Having been down north, as they say, I am quite aware of that. The hon. member made some reference to the Haines cut-off. I am happy to report that the study has been completed and will be in the hands of the interdepartmental committee very shortly. I also want to assure him that so far as any changes in the quartz mining regulations pertaining to the Yukon Territory are concerned none will be contemplated without the closest consultation with those who are connected with mining activities in the Yukon. Changes would only be made on the recommendation of those who are familiar with the situation there.

The question of a national park for the Yukon, as the hon. member no doubt knows, has been referred to the Yukon territorial council and the decision is now within the

hands of the members of that governing body. I think I shall leave his other points to be dealt with by correspondence and in personal discussion. I do express my appreciation to the hon. member for having brought these matters to my attention.

The hon. member for Kootenay West made some very pertinent points. I want to thank him for his kindly references to myself and I merely wish to say that we are interested in that favourite project of his, the *S.S. Moyie*, and are seeking ways and means to preserve this historic old relic. I could refer to other matters raised by the hon. member. We could continue our pleasant discussion as to who established sovereignty in the north but we can also carry that on in personal conversation.

I was very interested in the comments made by the maritime members who were most energetic and enthusiastic in presenting the viewpoint of that important part of Canada. If I were to refer to the remarks of each hon. member I am sure it would take more time than I have at my disposal tonight. I am fully aware that the maritime provinces have rich resources both from the standpoint of tourism and the standpoint of national parks and historic sites. We have various projects under way at the moment. That is my reason for making a tour of the maritimes this summer. There are so many new projects to be opened that I am going to spend at least a week touring the maritimes and officially opening the various projects that have been under way. I am sure that once these hon. members get me on site there we can deal with these matters personally and I do not need to take the time of the committee tonight dealing with them specifically.

Mr. McCleave: Would the minister permit a question at this point? Undoubtedly he will be visiting the most famous and popular part of his historical empire, the Halifax citadel. Can he say how much will be spent on renovations there in the current fiscal year?

Mr. Dinsdale: There has been $1 million expended up to the present time and I believe there is an additional $150,000 earmarked for that site during the current fiscal year.

The hon. member for Grand Falls-White Bay-Labrador referred to the special position of the Eskimos in Labrador and I wish to assure him that I hope to come to grips with that problem just as quickly as possible. We have had conversations on this matter and I fully appreciate its urgency. I might also refer to what the hon. member for Bonavista-Twillingate said with respect to Terra Nova park. I shall be in Terra Nova during the tour and will see these things for myself at that time.

The hon. member for Nipissing spent some time discussing the tourist industry. I merely want to say in passing that we have no reason to be pessimistic about progress in tourism in Canada. Just two weeks ago I received the official statistics for the past tourist season and they indicated that, for the first time, the tourist industry became the second largest dollar earner in the Canadian economy. For the first time, the tourist industry was ahead of wheat. Newsprint was first, tourist receipts second and wheat third. Progress is being made so rapidly in this industry that I am convinced it will not be long until tourism will occupy first position. I believe the maritime provinces will be the area where this will occur first.

As a final word on this subject of tourism, I should like to say that the expenditure of the tourist dollar in Canada has been going up. It is true that Canadians have been expending an increasing amount of money in the United States as well. We cannot compare the two and say that the deficit has been increasing. This is a relative thing, and if measured in these terms, we have every reason to be optimistic.

I shall not enter the discussion about Cabot and where he first landed or who has priority in that respect. I will just make this comment, that after hearing the Irishman in full flight tonight, I can only conclude that the sweetest recollections of life are memories of things forgotten. This is the only comment I wish to make on this important subject here tonight.

Having covered these few points, Mr. Chairman, I shall let the matter rest. If there are any further questions, I am sure hon. members can raise them as we proceed to the various items in the estimates.

Mr. Benidickson: I have already indicated my high personal regard for the minister, who is a new minister. However, I must tell the leader of the house that we could not pass this item on the basis of the statement made by the minister that everyone would receive a letter with respect to the item he has raised in the debate on the estimates of this department. That is not the way we do business here. There are 265 members and each of us raises problems in which the other is interested as these problems are raised. When a question is raised in committee of supply and is replied to by letter, that does not satisfy the other 264 members of this committee.

We are getting very close to the hour of adjournment, and I want to suggest to the minister that he review, as ministers traditionally have at this stage, the problems raised and where occasion justifies he should

reply as he did effusively to one of his colleagues, the hon. member for Yukon. Admittedly, this hon. member has a great interest in northern affairs. However, I think the minister should analyse, as ministers traditionally have, the questions that have been raised in the debate, not only today but on previous occasions. I do not care about the holy grails or anything else about which the minister was talking. I think a letter to one member of parliament is not satisfactory in most cases because all of us were aware of the question when it was raised initially and are interested in these problems. We do not know about them if the answer is simply made by letter from the minister after the administration item is carried.

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

Mr. Benidickson: Yes.

Mr. Churchill: Does the hon. member's recollection go back to occasions when I was on the other side of the house asking questions of ministers who did not traditionally either reply to me in the house verbally or send me a letter?

Mr. Benidickson: Apparently I have the floor. The leader of the house was a very active, observant and critical member when he was in opposition. If he did not get a reply on any particular occasion, I cannot believe that he would not repeat the question in the future. My direct answer to the minister is no, I do not recall. If the hon. member for Winnipeg South Centre at that time had pursued his request, then I cannot believe that parliamentary procedure did not give him the opportunity to get the information to which he was entitled. That is my point here tonight. I have great respect for the new minister, and I do not think this phrase is adequate in parliament, everyone will get a letter.

I believe in some cases when members raise certain points of local and minor consequence, they would be satisfied to get a letter, just as I am on occasion. However, this is not the general way of dealing with the administration item of the department, and I hope the minister will review the debate and check the problems that have been raised. If the minister replies, as ministers traditionally have, then those of us who are interested in the information will get it through the committee of supply. If a reply were made by letter from the minister the other 264 members would not receive the information.

Mr. Dinsdale: Mr. Chairman, I think the hon. member will recall my final statement. If there are any further questions, we shall be glad to deal with them during the course of the discussion. My suggestion with regard to the letters related to dealing with minor points. The reason I raised it was when I was in opposition it was a practice that was followed regularly in order to save time. We do not want to short-circuit the discussion. We will be quite happy to deal with matters of substance in verbal replies.

Mr. Fisher: May I call it 10.30 o'clock?

Progress reported.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Pickersgill: I wonder whether the house leader could give us a preview of what the government is looking forward to next week.

Mr. Churchill: I am sure the opposition is looking forward to next week with the same interest. Tomorrow we will continue, and I presume complete, the estimates of this very interesting and important Department of Northern Affairs and National Resources. We will then continue with the estimates of the Department of Fisheries.

For next week, Monday and Tuesday will be a supply motion. I think it is No. 5 in the list of supply motions. For the balance of the week, so that hon. members may make the necessary preparations, it is likely that on the estimates side the following departments will be before the house, national revenue, justice, mines and technical surveys, and forestry. However, I will give a more precise outline tomorrow of the order in which those estimates will come.

Mr. Pickersgill: Does the minister think that is enough estimates?

Mr. Churchill: With the desire of the house to complete early in June, I feel sure I should add another department to that list.

Mr. Benidickson: Veterans affairs.

Mr. Pickersgill: I wonder whether I could ask the house leader if he has any report about the railway situation?

Mr. Churchill: No. I have just heard rumours; I have no official report.

At 10:35 p.m. the house adjourned, without question put, pursuant to special order.

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of debates pursuant to standing order 39:

AVERAGE PRICES, 1960, FOR AGRICULTURAL PRODUCTS

Question No. 114—**Mr. Boulanger:**

What was the average price obtained by farmers in Canada, for the whole year of 1960, for wheat, barley, oats, flaxseed, hogs, and eggs?

Answer by: **Hon. Alvin Hamilton (Minister of Agriculture):**

AVERAGE WEIGHTED CANADIAN FARM PRICE

Year	Product	Unit	Price
1960	Eggs	doz.	$ .298
1960	Hogs	cwt.	22.71
1959–60[1]	Flaxseed	bu.	3.07
1959–60	Oats for grain		
	eastern Canada	bu.	.78
	western Canada	bu.	.63
	Canada	bu.	.68
1959–60	Wheat		
	eastern Canada	bu.	1.59
	western Canada[2]	bu.	1.19
	Canada	bu.	1.20
1959–60	Barley		
	eastern Canada	bu.	1.01
	western Canada[2]	bu.	.72
	Canada	bu.	.72

[1] Crop year, August 1 to July 31. Since only about one half the 1960 flaxseed crop has been marketed and since only the initial payment has been made on the 1960 crop of wheat, oats and barley data for the 1959–60 crop year has been listed.

[2] Includes initial and interm payments. Some further payments may be made by the Canadian wheat board on the 1959 crop.

The average farm price for eggs are Department of Agriculture figures while the average farm prices for wheat, barley, oats, flaxseed and hogs are dominion bureau of statistics figures.

Questions

OUTSIDE PRINTING CONTRACTS

Question No. 202—**Mr. Pitman:**

1. Have the facilities of the Queen's printer been operating at full capacity from January to March 1961?
2. If not, what are the reasons?
3. How many contracts for printing have been let out during the period January to March 1961?
4. What is the total value of these contracts?

Answer by: **Hon. Noel Dorion (Secretary of State):**

1. Yes.
2. N/A.
3. 1,409.
4. $1,528,254.

Supply—Items Passed

[The following items were passed in committee of supply]:

DEPARTMENT OF TRADE AND COMMERCE

A—Department—

General administration—

394. Departmental administration, including fees for membership in the international organizations listed in the details of the estimates (also includes the national industrial design council transferred from the national gallery), $3,275,445.

Trade commissioner service—

395. Administration and operation, $4,421,701.

396. Construction or acquisition of buildings, land, equipment and furnishings, $105,000.

397. Exhibitions branch, $1,241,309.

398. Standards branch, $2,758,668.

399. Dominion bureau of statistics, including the fee for membership in the inter-American statistical institute and a contribution of $500 to the international statistical institute, $12,596,591.

400. 1961 decennial census of Canada, $13,539,378.

B—National energy board—

401. Administration, $544,970.

HOUSE OF COMMONS

Friday, May 5, 1961

The house met at 11 a.m.

SASKATCHEWAN

ANNOUNCEMENT OF ROYAL ASSENT TO PROVINCIAL BILL

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I wish to table two copies of order in council P.C. 1961-675, dated May 5, in which His Excellency the Governor General by and with the advice of Her Majesty the Queen's privy council for Canada declares his assent to Bill No. 56 of the legislature of Saskatchewan passed during the present year and which was reserved by the lieutenant governor of Saskatchewan for the signification of the pleasure of the Governor General in accordance with the terms of the British North America Act.

In view of the importance of the constitutional issue involved, and with the leave of the house, I should like to place on the record the text of this order in council. It is a relatively short one. Leaving out the preliminaries and commencing with the preamble it reads as follows:

Whereas Bill No. 56 entitled "The Mineral Contracts Alteration Act, 1961" passed by the legislature of the province of Saskatchewan at the first session of the fourteenth legislature of the province of Saskatchewan, was reserved on the 8th day of April, 1961, by his honour the lieutenant governor of Saskatchewan for the signification of the pleasure of the Governor General;

And whereas the lieutenant governor, in transmitting the bill, gave as his reasons for reserving it

(a) that the bill, in his view, was ultra vires the legislature, and

(b) that the bill was not in the national interest;

And whereas it is the established policy in these matters to consider first the question of whether the bill is within the competence of the legislature to enact and second the question of whether it is in conflict with national policy or interest, and if these two questions be resolved favourably, to recommend that assent be given unless the bill is otherwise objectionable;

And whereas the Minister of Justice has examined the bill and has considered the reasons given by his honour the lieutenant governor for the reservation thereof, and he is of the opinion, with respect to the first question, that the bill is within the competence of the legislature to enact; that, with respect to the second question, the minister has considered the authorities and precedents, and is of the opinion that the expression "conflict with national policy or interest" does not relate solely to a difference of principle or point of view, but must include matters of practical or physical effect, and that in this sense the bill is not in conflict with national policy or interest;

And whereas the question of whether the bill is otherwise objectionable, being a matter that involves considerations other than legal, has been considered by His Excellency's advisers as a whole, and the conclusion has been reached that the nature of the bill is not such as to warrant departure from the normal course of recommending assent;

Wherefore His Excellency the Governor General, by and with the advice of the Queen's privy council for Canada, is pleased hereby to declare his assent to the said bill.

The house will recall that Hon. Frank Bastedo, lieutenant governor of Saskatchewan, reserved this bill, and did so without instructions from or consultation with the federal government. I have no hesitation in saying that had there been such consultation my colleagues and I would have recommended to the Governor General that the lieutenant governor be instructed not to reserve the bill.

I should call your attention, sir, and that of the house to the fact that in 1882 the governor general in council, in a minute of council transmitted to the lieutenant governors of each province, noted:

The lieutenant governor is not warranted in reserving any measure for the assent of the governor general on the advice of his ministers. He should do so in his capacity of a dominion officer only, and on instructions from the Governor General. It is only in a case of extreme necessity that a lieutenant governor should without such instructions exercise his discretion as a dominion officer in reserving a bill. In fact, with facility of communication between the dominion and provincial governments such a necessity can seldom if ever arise.

That was in 1882. In view of the development of communications since, it is evident that nowadays there should be ample opportunity for lieutenant governors to confer with the federal government before reserving a bill. I should point out that while no formal instructions have yet been given to lieutenant governors to reserve a bill unless upon specific instructions, my colleagues and I are now considering whether such formal instructions should be given.

In so far as the substance and other aspects of the bill in question are concerned, they are properly, of course, the concern of the governor general in council; and I feel that instead of going into detail, if there is any discussion to take place on this matter it might well be postponed until the estimates of the privy council are before the house unless naturally, in the meantime, opportunity arises for discussion.

Royal Assent to Provincial Bill

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I think the house has listened with great interest to the words of the Prime Minister and to the decision of the government. I feel that the government has made a correct decision, and I am certain that it will receive the approval of the people of Saskatchewan in general.

The Prime Minister made it clear this morning, as he has done on former occasions, that in reserving Bill No. 56 the lieutenant governor of Saskatchewan did so without instructions from the Governor General or the governor in council, and without consultation.

The Prime Minister has also made it abundantly clear, and with this I very much agree, that this is an extraordinary procedure and he has pointed out that, although it may conceivably have been within the letter of the law, the precedents make this kind of action unwarranted. I feel that the lieutenant governor of Saskatchewan has exceeded the prerogatives of his office—

Some hon. Members: Order.

Mr. Speaker: Order. I would ask the hon. member to confine his comments on the matter, to the factual statements of policy in the same way the Prime Minister did and not to express opinions with respect to the conduct of Her Majesty's representative in Saskatchewan.

Mr. Argue: On the point of order that you have raised, Mr. Speaker, I would point out that on other occasions you have been even stricter in your rulings and that any reference to a lieutenant governor, his office or how he carried out his office was considered out of order. The Prime Minister has indicated that this whole question will be the subject of a debate in the house on a future occasion, and at that time I shall endeavour once again to put my views before the house and indicate that in my view he should resign.

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member will have to abide by the rules of the house with respect to commenting on the conduct of the representative of Her Majesty except as such conduct is necessarily involved in a factual way in the statements of policy that have been made, but that is a problem that we can meet when it arises.

Mr. Argue: If he does wrong, where do we go from there?

[Mr. Diefenbaker.]

UNITED NATIONS

RUANDA-URUNDI—APPOINTMENT OF CANADIAN MEMBER OF SPECIAL COMMISSION

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I should like to announce the appointment of the hon. member for Charlevoix (Mr. Asselin) to the special United Nations commission of judicial review for the Belgian trust territory of Ruanda-Urundi.

The territory is a small, densely populated area lying landlocked in equatorial Africa between the republic of the Congo—Leopoldville—to the west, Uganda to the north and Tanganyika to the east and south. A former German colony, since 1919 it has been administered by Belgium, first as a mandate of the league of nations and subsequently as a trust territory of the United Nations.

On April 21 the general assembly adopted by a large majority, which included Canada, a resolution giving Belgium specific directives in respect of the administration of the territory and its evolution to independence. The resolution also contained a provision for the implementation of a general amnesty and the establishment of a special three nation commission to review a number of cases of persons convicted of grave crimes with a view to securing their release from prison or return from exile. Canada, together with Brazil and Tunisia, was elected to serve on this commission, which is expected to leave this month on a journey of approximately three weeks to Belgium and Ruanda-Urundi and to submit a report to the United Nations prior to legislative elections in the territory scheduled for August of this year. The costs of the commission will, of course, be borne by the United Nations.

As you know, Mr. Speaker, the hon. member for Charlevoix is well qualified to take this assignment. He has broad legal and political experience, and has concerned himself particularly with international affairs. In 1958 he was a member of the Canadian delegation to the NATO parliamentary association meeting in London, and during the fifteenth session of the United Nations general assembly which has just been completed he served as Canadian representative both in the legal committee and also in the trusteeship committee, which has been considering the Ruanda-Urundi item. This hon. member has made a splendid contribution to the work of the United Nations during its last session.

Hon. Paul Martin (Essex East): Mr. Speaker, I have no comment to make about an assignment given to an hon. member of the house, but I would simply point out to the minister

that he has a parliamentary secretary who does not seem to be overly occupied when he is in the house.

Some hon. Members: Oh, oh.

Some hon. Members: Withdraw.

Mr. Martin (Essex East): When a parliamentary secretary appointed for the purpose of assisting the minister is provided with remuneration for the discharge of his heavy responsibilities it would seem to me that assignments of this kind should not pass by the parliamentary secretary, as he is apparently not overly occupied.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, we appreciate the information on this important question given by the Secretary of State for External Affairs. I think it demonstrates what can be done in the spirit of conciliation when people are willing to achieve good ends through negotiation and apply the principles of common sense, having in mind the welfare of all people. We wish the officials representing this country and the mission concerned every success in all they are attempting to undertake in connection with this matter.

LABOUR CONDITIONS

REQUEST FOR STATEMENT ON SETTLEMENT OF RAILWAY STRIKE

Hon. Lionel Chevrier (Laurier): Is the Prime Minister or Minister of Labour not going to make a statement on motions in connection with the settlement of the threatened railway strike?

Mr. Speaker: I think the hon. member for Laurier will have to leave to the government the decision as to what statement will be made by the government.

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I ask the Prime Minister if he has any comment to make on the settlement of the strike between the railways and the members of the Canadian brotherhood of railway workers?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I expressed the hope the other day that there would not be a strike. Negotiations have continued from time to time since legislation was passed in December, intermittently it is true but in the last few days more regularly, and as a result of the process of negotiation there will not be a strike.

Mr. Chevrier: In asking a supplementary question of the Prime Minister, may I preface it by saying that we too on this side of the house are delighted that there has been—

Some hon. Members: Oh, oh.

Mr. Chevrier: —a settlement of this dispute on the terms that we recommended in the house some months ago.

Some hon. Members: Order.

Mr. Chevrier: May I ask the Prime Minister or the Minister of Labour whether any arrangement has been made between the government and the railways in connection with the funds with which these increases will be met?

Mr. Diefenbaker: Mr. Speaker, when the government is in a position to do so it will bring before the house, as I have already pointed out, such legislation as may be acceptable to the government in conformity with some parts, not all, of the recommendations made by the MacPherson commission.

Mr. Chevrier: May I ask a further question.

Mr. Speaker: May I interrupt the hon. member to permit a supplementary question from the hon. member for Assiniboia.

Mr. Hazen Argue (Assiniboia): I should like to ask the Prime Minister whether, in view of the settlement and in view of the statement he has just made, the Freight Rates Reduction Act will be maintained; that is, that there will be no increase in freight rates, and if so for what period of time?

Mr. Diefenbaker: The resolution in respect of the matter referred to by the hon. member is on the order paper.

Mr. Argue: Is it correct to say that the increased wage rates will be paid out of railway revenues, and not by the public of Canada?

Hon. Paul Martin (Essex East): I have a supplementary question that I should like to ask of the Prime Minister. In view of the settlement which is based upon terms strongly advocated in this house by the Liberal opposition—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —may I ask the Prime Minister now what disposition is going to be made for those thousands of railway workers who were laid off as a result of the dispute which this government was unable to settle six months ago.

Mr. Argue: There has been no strike.

Mr. Speaker: I do not want to prevent the Prime Minister from answering, but may I comment first on the question which is really a controversial statement introduced as a question and not a search for information.

Labour Conditions

Mr. Fleming (Eglinton): It is highly improper.

Mr. Martin (Essex East): I submit to you, Mr. Speaker, that hon. gentlemen opposite, in spite of all their talk about the rights of parliament, are trying to prevent us from expressing our opinions. I ask the Prime Minister—

Mr. Harkness: You are infringing on our rights every day.

Mr. Martin (Essex East): The Minister of National Defence now offers his two cents worth.

Mr. Speaker: If the hon. member wishes to speak to the point of order I shall be glad to elaborate what I had in mind. He was asking first about a matter of policy which the government has already indicated will be announced in due course. The first part of his question as well as the last part were expressions of opinion. On that account I considered that he had overstepped the bounds of propriety at this time and that he should reserve comment of that kind for debate.

Mr. Walker: The hon. member for Essex East is constantly flouting your authority, Mr. Speaker.

Mr. Martin (Essex East): Mr. Speaker, Your Honour does not catch all these observations made by responsible ministers. The observation just now made by a neophyte, the Minister of Public Works (Mr. Walker) is one to which Your Honour's attention should be directed.

Mr. Speaker: If the hon. member wishes to raise this as a matter of privilege I will hear him. Otherwise it is irregular to comment on it.

Mr. Martin (Essex East): What the Minister of Public Works says, Mr. Speaker, really does not need to be dignified by raising it to a question of privilege. The question which I was asking, and which I submit is in order, is what is going to happen—

Mr. Speaker: If the hon. member would indicate why he submits that it is in order I might modify my view. He is entitled to comment on the ruling I have made, but I wish he would confine himself now to the relevant matter, namely the reasons why his question would be in order.

Mr. Martin (Essex East): Many hundreds of men have been laid off by the Canadian Pacific Railway and by the Canadian National Railways, and I want to know from the Prime Minister—

Mr. Speaker: Order. The hon. member is dealing with the substance of the controversy rather than the principle which to my mind is involved in the way in which he has chosen to bring this matter before the house. I recognize the hon. member for Middlesex West.

Mr. Thomas: Mr. Speaker, I rise on a question of privilege.

Mr. Martin (Essex East): Mr. Speaker—

Some hon. Members: Sit down.

Mr. Martin (Essex East): I will sit down for the Speaker and not for anyone else.

Mr. Speaker: Order. If the hon. member has not finished his comments in dealing with the point of order, I will hear him. However, I hope I shall not be obliged again to ask him not to deal with the substance of the question and thereby make his point as a point of order.

Mr. Martin (Essex East): I am asking the Prime Minister a question about the settlement. I am surely entitled to ask what are the consequences of the settlement. That is the nature of my question.

I ask the Prime Minister now this question. As a result of the settlement of this particular issue between the railways and the railway workers, can the Prime Minister say what steps will be taken under the act passed in this house, to see to it that those laid off will be reinstated?

Mr. Diefenbaker: Mr. Speaker, the obvious annoyance of the hon. gentleman is apparent over the settlement announced this morning.

Mr. Martin (Essex East): I ask the Prime Minister to answer the question. I now rise on a question of privilege. The right hon. gentleman—

Mr. Diefenbaker: I have the floor.

Mr. Martin (Essex East): Mr. Speaker, I rise on a question of privilege.

Mr. Diefenbaker: These questions of privilege that are not questions of privilege.

Mr. Speaker: Order. If a question of privilege arises out of what the Prime Minister has said to this point I think the hon. member for Essex East would be entitled to the floor, and I will hear what question of privilege he feels arises.

Mr. Martin (Essex East): The Prime Minister said that I was obviously annoyed over the fact that a settlement had taken place.

Some hon. Members: Hear, hear.

Mr. Speaker: I heard what the Prime Minister said, and in my view a question of privilege does not arise. I will go this far with the hon. member for Essex East and

say it was not an appropriate answer to the question which he addressed, in that it expressed extraneous opinions. As there is in my view no matter of privilege arising from what the Prime Minister has said, I will hear the Prime Minister.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Speaker: I am sorry; the hon. member has raised a question of privilege, and it has been disposed of.

Mr. Martin (Essex East): I have not even argued the point.

Mr. Speaker: The hon. member indicated that the point arose out of what the Prime Minister had said, and I have indicated that I see no question of privilege in what the Prime Minister said. However, I did express the view that it was not an appropriate answer to the question.

Mr. Diefenbaker: If I referred to any extraneous matters I did so because of the gratuitous statements made by the hon. gentleman.

Mr. Martin (Essex East): Deal with the question asked.

Mr. Diefenbaker: I would say this. Legislation was passed by this house last December. It was undertaken that those who had been laid off by reason of the fact that a strike had been threatened should be reinstated. Parliament passed that legislation and the provision is embodied in section 4 of the act, which reads:

> Every railway company shall reinstate every employee who was laid off since the 1st day of November, 1960, by reason of a curtailment or discontinuance of any of the operations of the company in anticipation of a strike by the employees of the company.

That is the law of the land which was passed by parliament. I notice that in his first statement the hon. gentleman started by saying that thousands were laid off. He got down to hundreds in his second question, and I simply say in answer to him that the law of the land must at all times be enforced.

Mr. Martin (Essex East): Of course, but that is not the question.

Mr. Speaker: I think I should recognize the hon. member for Middlesex West who was good enough to defer his question.

[*Later:*]

Mr. Chevrier: May I direct a question to the Prime Minister. His colleague the Minister of Labour is reported to have said last night or this morning in reference to the settlement of this strike, that he did not know where the money which would provide for the settlement is to come from. I think I am entitled to ask the Prime Minister whether, in view of the fact that this is an important matter arising as it does following the recommendations of the royal commission on transportation, and in the light of the deficit of the Canadian National Railways for last year and the estimated deficit for 1961, he will give some indication of how the funds will be provided by parliament, if that is the way it is going to be done.

Mr. Diefenbaker: It is not for me to add anything. I hope that following the settlement arrangements will be made by the company, as I am sure they will, to make the payments and discharge the responsibilities which they undertook as a result of the settlement made between the companies and the employees.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Could I ask the Prime Minister to give the house an assurance that no prior undertaking of any description was given to the railway companies before the settlement was reached yesterday?

Mr. Diefenbaker: I say with the greatest joviality to the hon. gentleman that the experiences he used to have when he was a member of the government of a former day are not being repeated by this government.

Mr. Pickersgill: I wonder if the Prime Minister could now give a categorical answer to a simple, straightforward question.

WATER RESOURCES

ONTARIO—AGREEMENT RESPECTING CONSTRUCTION OF PARKHILL DAM

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): My question is directed to the Minister of Northern Affairs and National Resources. Can the minister inform the house whether any progress has been made in arranging with the province of Ontario and the Ausable valley conservation authority for the construction of the Parkhill dam? If so, what is the present status of the negotiations?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): I thank the hon. member for his question, and I am happy to inform him that the formal agreement will be signed next Wednesday at Parkhill.

POWER

INQUIRY AS TO ALTERNATIVE FINANCIAL PROPOSALS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Representing the interests and concern of hon. members in all parties, I wish to ask

the Minister of Finance a question in a strictly non-partisan spirit. Has the government given any consideration to proposals alternative to those presented by Premier Bennett to the Minister of Finance during the discussions in Victoria on March 24 and 25 with respect to the financing of Columbia river development? If so, is the minister in a position to inform the house of the nature of these alternative proposals?

Hon. Donald M. Fleming (Minister of Finance): I did inform the house of those alternative proposals on March 27 when I made a report to the house following my discussions at Victoria with Premier Bennett. I then reported that the premier had put forward two alternative proposals and that the federal government had previously put forward a proposal, and that these three proposals had been discussed fully, frankly and in a cordial spirit in the talks I had with Premier Bennett. The three proposals are set forth in detail in *Hansard* of March 27 at pages 3400, 3401 and 3402. This subject of the financing of the Columbia river development has, of course, continued to receive consideration on the part of the government.

Mr. Herridge: Apparently no further proposals have come forward. I should like to ask the minister if he would care to comment on a speech made by the leader of the Liberal party in British Columbia at Vancouver a year or two ago—

Some hon. Members: Order.

Mr. Speaker: Order. I think the hon. member has put himself out of court by his introduction. He may have a question to ask, but it is certainly not the administrative responsibility of the minister to comment on speeches made by politicians elsewhere.

Mr. Herridge: I apologize but the hon. member for Essex East has made several comments of a similar kind. My question is, has the federal government given consideration to expropriation in connection with the Columbia river project, presumably through an amendment to the British North America Act?

Mr. Fleming (Eglinton): No, Mr. Speaker; and if anybody in British Columbia said that he evidently does not know what he is talking about.

HARBOURS

GROS-CACOUNA, QUE.—INQUIRY AS TO RESOLUTION RESPECTING DEVELOPMENT

On the orders of the day:

Mr. Maurice Bourget (Levis): I wish to address a question to the Minister of Public Works. Can the minister inform the house if he has received a resolution from the city of Riviere du Loup regarding port development at Gros-Cacouna and, if so, will he say when the city can expect an answer?

Hon. D. J. Walker (Minister of Public Works): The hon. member for that riding has been in constant touch with me over the past year in connection with that project. I can assure the hon. member for Levis that it is under constant consideration. I do not know whether we have received a resolution in the last day or two, but I shall be very happy to inform the hon. member if such is the case.

INDIAN AFFAIRS

RESOLUTIONS REQUESTING BRINGING INTO FORCE OF SECTION 96A OF ACT

On the orders of the day:

Mr. Frank Howard (Skeena): In the absence of the Minister of Citizenship and Immigration and of the parliamentary secretary I wonder if I could place this question on the order paper. It could then be taken as notice. Has the minister yet received a reply from the attorney general of the province of British Columbia with respect to certain resolutions from Indian bands asking that section 96A(2) of the Indian Act be brought into force on the reservations concerned. Might I also inquire whether the minister can announce what action will be taken as a result of the amendment by the British Columbia legislature of the provincial liquor act in so far as its application to Indians is concerned.

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, the question will be taken as notice.

LABOUR CONDITIONS

WINTER WORKS PROGRAM—REQUEST FOR EARLY ANNOUNCEMENT

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I would like to address a question to the Minister of Labour. Does the minister not think that plans for the next winter works program should be made known to the municipalities now? If so, does the government intend to take immediate steps in this regard?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the government is always looking at the situation. The government instituted this winter works program and co-operated with the provinces in respect to any announcements which are made as to the time it will be started.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to ask a supplementary question. In view of the continuing unemployment has the government given any consideration to a summer works program along the same lines?

Mr. Starr: Mr. Speaker, the measures this government has taken since this session commenced on November 17 last are taking effect now, and work will be provided the year round.

Mr. Chevrier: With 700,000 people out of work?

Mr. Starr: Don't say that with such glee.

Mr. Chevrier: On a question of privilege, Mr. Speaker, I did not say that with glee, I said it with accuracy. The government's policies are not producing the results the minister has said they would.

Mr. Speaker: Order.

EXTERNAL AFFAIRS

INQUIRY AS TO MEETINGS TO BE ATTENDED BY MINISTER

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, while the Prime Minister is calming down may I ask his more serene colleague, the Secretary of State for External Affairs, if he can give the house any intimation of the nature of the meetings which he is about to attend. I refer to the NATO meeting and the 14 power Geneva conference. As the minister is leaving tonight may I say to him, in that spirit of good will which now characterizes this particular phase of our discussions, that I am sure the house wishes the minister a successful assignment, and bon voyage. We all hope that these meetings will contribute to the peace of the world.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I am very grateful to the hon. member for Essex East for extending these good wishes to me on this trip to Europe.

The NATO meeting is the annual spring meeting of the organization which is attended only by the foreign ministers, and not by the ministers of finance and national defence, as is the case with the December meeting each year. The agenda for these meetings is never made public, but I believe there will be discussions on the present international situation, particularly concerning those parts of the globe in which there is great tension at the present time. Furthermore, there will probably be discussions on long term planning for the NATO organization.

With regard to the Geneva conference, the purpose is to deal exclusively with the situation in Laos. Canada's representatives are attending that conference because Canada is a member of the international supervisory commission, so that our interests will be to further whatever steps will make it possible for that commission to prevent further trouble in that unhappy country and to help bring about a permanent solution under which Laos will be a neutral state unaffected by the cold war.

(Translation):

CUBA—REQUEST FOR TRANSPORTATION FOR CANADIAN MISSIONARIES

On the orders of the day:

Mr. Gerard Loiselle (St. Ann): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs.

Is the government considering making its transport facilities available to all Canadian missionaries presently in Cuba who would like to come back to Canada?

(Text):

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, we are deeply concerned about the action which is said to have been taken by Cuban authorities against Canadian Catholic priests and nuns in Cuba. The Canadian embassy in Havana is in touch with members of the Canadian religious community there, and the Department of External Affairs is consulting with the Catholic authorities in Canada regarding the action which may be required to assist these missionaries.

It should be recalled that these Canadian missionaries went to Cuba for idealistic and disinterested purposes, and over the years, have won the respect and affection of the people among whom they have worked. In view of the services they have rendered it is our hope that the Cuban government will take all necessary measures to ensure their safety and the protection of their property. The Cuban government is well aware of the importance attached by the Canadian government to securing fair and equitable treatment for Canadian priests and nuns in Cuba. We cannot but regret that the decision of the Cuban government may endanger one of the most valuable ties established between Canada and Cuba. We will certainly do everything we can to assist; at the moment I think it would be unwise for me to go any further.

REQUEST FOR STATEMENT ON SUCCESSFUL FLIGHT OF UNITED STATES ASTRONAUT

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Prime Minister.

Would the Prime Minister care to comment on the successful space flight of the United States astronaut Alan Shepard this morning?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I am sure that in asking the question the hon. member intended to give me the opportunity to join with him and all other hon. members in congratulating the astronaut and also the United States of America on this outstanding achievement.

NATIONAL REVENUE

REQUEST FOR EMBARGO ON IMPORTATION OF RADAR DETECTORS

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of National Revenue, of which I have sent him notice. It has been reported that in the United States a device is on the market which sells for $40, and which can be installed in an automobile, the function of which is to spot police radar installations. In view of the fact that such a device could easily outwit law enforcement in regard to traffic in Canada, could the minister indicate to the house whether the government would consider—

Mr. Speaker: Order. If the hon. member's question relates, as it appears, to law enforcement, particularly with respect to speeding and other highway offences, it seems to me he is asking the question of the wrong government.

Mr. Alexis Caron (Hull): Mr. Chairman, on a point of order, I think your point of view has not been well taken because the hon. member has not completed his question. I understand he is suggesting the imposition of an embargo in respect of this device, and this would be within the jurisdiction of the Department of National Revenue.

Mr. Speaker: If the hon. member feels that this device is of such consequence that there is some urgency about the matter I am willing to allow him to proceed.

Mr. Badanai: Could the minister indicate to the house whether the government would consider imposing an embargo on such a gadget designed to circumvent efforts of the police to control highway accidents?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I received this question just before I came into the house. I know nothing about the matter, but it would appear to me that perhaps the hon. member attaches too much importance to rumours which appear in the press from time to time, and expresses too little confidence in the ability of police forces to deal with such a situation. If the dire consequences to which he has referred should arise, I am sure the competent governments will take whatever action is necessary.

Mr. Badanai: There is no rumour about it.

TRADE

GRAIN—INQUIRY AS TO CONTRACT FOR SALE TO CHINA

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I should like to address a question to the Minister of Agriculture. Yesterday in this house an attack was made on the China trade agreement for—

An hon. Member: Order.

Mr. Pascoe: There was an attack made in this regard because the agreement does not tie Canada to a definite contract as to the amount and price of the wheat to be delivered during the next three years.

Mr. Speaker: Order. The hon. member is not entitled to ask a question in pursuance of a debate. If he has a question to ask which seeks information of the government, would he please put his question.

Mr. Pascoe: Would the minister inform the house that if a definite contract was signed, as advocated by the hon. member for Assiniboia, there would be no opportunity to obtain a better price should wheat prices increase within the next three years?

Mr. Speaker: Order. I think the hon. member is attempting to revive a debate rather than acquire information.

[*Later:*]

Mr. J. H. Horner (Acadia): I should like to direct a question to the Minister of Agriculture. Can he inform the house whether there was a definite agreement signed with China for the purchase of wheat and barley?

Mr. Hazen Argue (Assiniboia): I suggest that the question that is now being asked opens up the very controversy that was raised by the hon. member for Moose Jaw-Lake Centre and on which you commented that this was a method of reviving the debate of yesterday. I do not object to this debate being revived, but I do say that if it is revived all members should be given the opportunity to comment.

Mr. Horner (Acadia): On the point of order, I asked the minister whether an agreement had been signed, and he can answer yes or no. I cannot see where any debate should arise out of a question such as this.

Mr. Speaker: There was no reference to the debate. The hon. member for Assiniboia takes exception that it is a follow-up of a controversy that arose yesterday, but the question in itself is quite in order. Since the hon. member has not attempted to bring in the controversy the question of fact might be answered, I think.

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I should just like to answer the hon. member by reading one or two of the statements I made on my return from Hong Kong.

Mr. Hellyer: They are already on the record; why bother?

Mr. Hamilton (Qu'Appelle): This sentence may be found at page 4205 of *Hansard*, column 1, third paragraph:

> Because of the quantities of grain involved and other factors, the Canadian government felt there should be an over-all agreement to facilitate orderly marketing.
> I am now pleased to report that a long term agreement has been signed.

Mr. Speaker, I should like to raise a question of privilege, if I may, concerning what was said in the house yesterday afternoon. It was brought to my attention this morning by the hon. member for Acadia.

Mr. Speaker: Before the hon. member proceeds, was he present when the matter which he raises was brought up?

Mr. Hamilton (Qu'Appelle): It was brought to my attention this morning by the hon. member for Acadia that I was accused in the house yesterday of misleading—perhaps I had better read the words of the hon. member for Assiniboia.

Some hon. Members: What page?

Mr. Hamilton (Qu'Appelle): Page 4335 of *Hansard*. The hon. member said:

> The minister later on called it "a sale of this order". I think this was a carefully worded statement, and I think it was carefully designed to mislead.

An hon. Member: Did you expect any better?

Mr. Argue: On a point of order, this very question was raised on a point of order yesterday.

Mr. Speaker: Order. I am not sure whether the hon. minister has completed his statement, but perhaps a point of order would intervene if this matter had been raised yesterday on behalf of the minister. Will the hon. member for Assiniboia give me the citation.

Mr. Argue: I have the copy of *Hansard* before me but I am unable to give it to you, sir, without having the opportunity to look it up, but I remember quite clearly what happened. I was accused of saying that the—

Mr. Speaker: Order. Before the hon. member proceeds, if he asserts that the point of order was raised and disposed of, that would perhaps have a bearing on my ruling, and I should be glad to have the reference.

Mr. Hamilton (Qu'Appelle): Perhaps I can bring some light to the hon. member for Assiniboia by reading the selections from *Hansard* where the point was discussed. They consist of only two paragraphs. This is to be found at page 4335 of *Hansard*. After the hon. member for Assiniboia had made this charge the following took place:

> Mr. Chambers: Mr. Chairman, I rise on a question of privilege. The Minister of Agriculture is not present, and it is not within the rules of this house for an hon. member to say that another hon. member of this house deliberately designed something in order to mislead.
>
> Mr. Pickersgill: He did not say that.
>
> Mr. Argue: If the hon. member is right, if that is what I said, I apologize. I did not mean to put in the word "deliberately". But if the minister had meant it to be deliberate he could not have done a better job. I will say I think this statement misled the house.

Mr. Argue: On the point of order, I was accused yesterday of having said that the minister deliberately misled the house. I said at that time that if I had used the words "deliberately misled the house", and I find I did not use them, I was quite prepared to withdraw that accusation and to say that all that had been done was that the government had made a misleading statement but with the word "deliberately" taken out. I suggest that the minister, by referring to the discussion of yesterday, is attempting by a method not within the rules of the house to revive a debate. If that debate is going to be revived and if the minister is going to make argumentative statements, I feel I have a right to reply.

Mr. Speaker: Order. The hon. member is now departing from the point of order. His point was that this matter had been disposed of, but there was no ruling. There was some discussion, as is apparent from a review of the text, but as the Minister of Agriculture was not present at the time and the statement related to him I think he is in order in raising the matter today to make certain that he has not been accused of deliberately planning to mislead the house.

Mr. Argue: The accusation was never made.

Mr. Speaker: If the minister has finished his complaint about this matter we might proceed. If not, I will hear him out.

Inquiries of the Ministry

Mr. Hamilton (Qu'Appelle): I was going on to point out that the hon. member for Assiniboia went on to say:

I will say I think this statement misled the house.

Then the hon. member for Greenwood said "No", and the hon. member for Assiniboia continued:

I should say it was put in a misleading manner. It certainly misled the country. It misled no less a person than the president of the Saskatchewan wheat pool.

This is my question of privilege, Mr. Speaker. At no time did I mislead the house in any way whatsoever in connection with this agreement. In my statement to the house I said that there had been a long term agreement signed, and I pointed out that under that agreement we had committed ourselves to provide up to six million tons of barley, wheat and flour.

Mr. Speaker: Order. I think the minister is getting away from the question of privilege. He is now endeavouring to justify his opinion that he did not mislead the house. The minister was accused of deliberately misleading the house and whether the hon. member for Assiniboia withdrew that statement, which he should do—

Mr. Argue: I did.

Mr. Speaker: If I have his assurance now that he did intend—

Mr. Argue: Mr. Speaker, *Hansard* shows that I did not use the word "deliberately". Hon. members suggest that I did and I hasten to say, as I did yesterday, that if I had used the word "deliberately" I would immediately withdraw it. I do not know how many times a man has to withdraw a statement he never made.

Mr. Speaker: I am sorry to differ with the hon. member for Assiniboia, but it is clear from what he first said that he imputed a calculated misleading of the house, which is a deliberate misleading of the house. As he has now indicated that he did not at any time intend to impute deliberate misleading, I trust that the minister will be satisfied.

Mr. Hamilton (Qu'Appelle): Leaving out the question of the word "deliberately" entirely, if an hon. member stands up and says that I as minister misled the house, have I no question of privilege on that score? I say I did not mislead the house, deliberately or otherwise.

Mr. Speaker: I appreciate the minister's feelings but it has been decided from time to time, almost invariably, I think, when the issue has arisen before, that no question of privilege is raised when it is said of another member that his statement has misled the house or that he has misled the house. The whole issue in such a question of privilege is intention, and it has been made clear that there was no imputation of intention.

Mr. Horner (Acadia): Mr. Speaker, I rise on a question of privilege. I refer to page 4335 of *Hansard* of yesterday and I point out that it appears that *Hansard* has been deliberately changed. In the printed report the hon. member for Assiniboia is reported as having said, in the last sentence of the first paragraph on the righthand side of the page:

I do not know why the government signed this agreement, and I should like an explanation—

Then my remarks appear as follows:

In other words, you think they should not have signed it?

I distinctly heard the hon. member for Assiniboia say "I do not know why the government signed this lopsided agreement". I went to the *Hansard* office and checked the record because I wanted to know whether my question appeared therein. The word "lopsided" was in the record when I saw it in the editor's office. The word "lopsided" has been left out and the whole meaning of the particular sentence has been changed. I say the word should be included in the record, because he definitely used the word. I heard him and I checked the record to prove it.

Some hon. Members: Shame.

Mr. Argue: Mr. Speaker, I do not know why there should be any shame. I want to answer this accusation, and I think I have a right to answer it.

Mr. Speaker: The hon. member has been accused of a rather serious offence of altering the text of *Hansard*, and he must be heard.

Mr. Argue: I do not know how I can make it clear. I say first of all that I did not alter *Hansard* and, second, whether or not it was in this particular context, I do remember using the word "lopsided". I assert that I never changed *Hansard* and did not take out the word. What I said yesterday was that it was a lopsided agreement. When the government of Canada says it will keep the wheat on hand and make further arrangements later, that is a lopsided agreement.

Mr. Speaker: Order.

UNEMPLOYMENT INSURANCE

WITHHOLDING OF BENEFITS DUE TO ABSENCE FROM AREA

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the

Minister of Labour. Do the unemployment insurance commission regulations stipulate that unemployed persons drawing benefits must acquire clearance from the local unemployment insurance office before going out of the area for a day to seek work, or for any other reason?

Hon. Michael Starr (Minister of Labour): I imagine this pertains to the situation which developed following the visit to Ottawa by the unemployed delegation. This has been brought to my attention, and I advised the hon. member for Niagara Falls yesterday that I had turned the matter over to the unemployment insurance commission to see whether there is anything in the act which would permit the disallowance of any penalty for being away on that day when they were supposed to report to the unemployment insurance office.

Mr. McMillan: I have a supplementary question. Without reference to the unemployed who came to Ottawa, how long can a man be out of his area and still receive unemployment insurance benefits if he is entitled to them?

Mr. Starr: I will get that answer from the unemployment insurance commission when they reply to my inquiry regarding the other matter.

PUBLIC WORKS

PORT RENFREW, B.C.—REQUEST FOR CONSTRUCTION OF BREAKWATER

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Public Works without notice. Has the minister received a brief from responsible industrial and other organizations on Vancouver island regarding the great need to built a breakwater at Port Renfrew, in San Juan bay? If so, can the minister indicate what action is contemplated in this regard?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, Mr. George Chatterton has been taking up this matter with me for some time and, as I explained to the house yesterday in answer to the question by the hon. member for Vancouver East, we are very glad to know that other parties, now that a by-election is pending, are starting to take an interest in this matter.

Mr. Howard: A supplementary question.

Mr. Speaker: Order. If there is some uncertainty about what the minister said, perhaps a supplementary question should be permitted.

Mr. Howard: My supplementary question is this. Who is this George—what was the name the minister referred to?

Mr. Walker: The next member of parliament for that constituency.

(Translation):

PUBLIC SERVICE

ROYAL COMMISSION—STATEMENT AS TO FRENCH SPEAKING MEMBER

On the orders of the day:

Hon. Noel Dorion (Secretary of State): Mr. Speaker, yesterday morning the hon. member for St. Henry (Mr. Pit Lessard) asked me whether I was aware that no French-speaking representative was on the advisory committee of the Glassco commission, and if so, whether we would see that the situation was corrected.

Having inquired from the appropriate authorities, I am able to answer my hon. colleague as follows.

I must first inform him that within the Glassco commission, there are no less than ten advisory committees. Further, with the addition of Mr. Wilbrod Bherer, chairman of the Quebec Catholic school board, and Mr. Jean-Claude Lessard, chairman of the Quebec hydroelectric commission, both of whom have been appointed on the so-called "public service personnel advisory committee", French-speaking Canadians are represented on each and every committee of that commission. The only reason why the names of those two members were not mentioned in the first report of the commission is that, at the time of its publication, they had not yet indicated their acceptance.

(Text):

TELEVISION

SASKATOON—RECOMMENDATION OF BOARD OF GOVERNORS RESPECTING LOCATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of National Revenue a question arising out of an answer given by the Minister of Transport on Wednesday to a question of mine regarding the revised application of the Saskatoon television station. In view of the fact that this revised application has been forwarded to the board of broadcast governors —perhaps the minister will take the question as notice and answer it later—can he say whether the other party interested will have the opportunity to be heard before any final decision is made by the government?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, this is a matter that has been referred to the board of broadcast governors. I have no knowledge of it, but I will make inquiries and give a reply at the first opportunity.

FINANCE

AUTOMOBILES—REQUEST FOR ELIMINATION OF EXCISE TAX

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to direct a question to the Minister of Finance based in part on a portion of the statement made by the Prime Minister yesterday with respect to the Bladen report. The Prime Minister said, as found on page 4321 of *Hansard*:

> I should consider that it is mainly concerned with fiscal matters and the like.

Will the Minister of Finance take into consideration this report of Professor Bladen before presenting his budget, and will he give the house the assurance that he will at least take steps to abolish the excise tax on automobiles?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, if the hon. member will take the trouble to consult the terms of reference of the royal commission in question he will see there precisely what the Prime Minister had in mind in he statement he made yesterday. As to the other matters which the hon. member has chosen to drag into his question, may I say to him that as he was a minister of a government for many years I do not know why the physician does not direct his counsel to himself.

Mr. Martin (Essex East): You have not answered my question. You do not want to do anything about the automobile industry.

SUPPLY

The house in committee of supply, Mr. Flynn in the chair.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

279. Departmental administration including Canada's share of the expenses of the "resources for tomorrow" conference, $1,105,390.

Mr. Fisher: Mr. Chairman, just before closing last night the hon. member for Kenora-Rainy River raised a point as to whether the members of the committee were not getting rather short shrift from the minister, in that his replies to questions raised earlier in the discussion were to be given in letter form rather than rebutted or answered in this forum. I think the member for Kenora-Rainy River, and other members, might have support for their argument in that the minister, seemed to take such an inordinate time to reply to the hon. member for Port Arthur. I make no claim that the points I raised had any particular priority or importance over those raised by any other hon. member.

I think the minister's reaction, despite the fact that he credited me with not being personal, was for that very reason. He thought my criticism was personal. Perhaps I should have made it clear that in my comments on the minister I was really questioning or blaming the Prime Minister in the selection of a minister. It seems to be a ritual here, and I suppose a very nice ritual, that when a man takes over a portfolio everybody is appropriately sweet and nice.

I should like to assure the minister that to me he ranks with Abou Ben Adhem in the sense that I am sure he leads all the rest in those fine qualities of charity, industry, humanity and all the rest. But despite all this I honestly feel that in the serried ranks behind the Prime Minister there might possibly have been found—I do not want to be invidious and select a few names—a man who could have given this particular department more dynamic drive. If this is unfair or unkind, well, so be it.

I should like to assure the minister that my remarks were no reflection upon his industry or his capacity in the past. I am sorry that, from the length of the reply he made, there would seem to be an indication that my remarks touched on a sensitive nerve, and that he took the opportunity while talking about petulant pedagogues—although he did take a bit of a cut at himself—to attack the teaching profession. I should like to point out to the minister that I do not think of myself as a teacher at the present time. I happen to be a politician and will be until this particular parliament dissolves. Then if I want to go back to teaching—

Mr. Dinsdale: You are still in an ivory tower.

Mr. Fisher: No; my criticisms were made not as a teacher but as a politician, and they stand in that position. In a sense he rebutted a few of the points I made. For example, in so far as the resources for tomorrow conference is concerned, the minister started with an inaccuracy. I was not the only hon. member who referred to the resources for tomorrow conference. I would give him the hon. member for Kootenay West, who talked quite a bit about his views on the matter. The minister then said that I should go forth and carry the word about the resources

for tomorrow conference. I suggest to him that there were a great many members speaking in this debate.

Mr. Dinsdale: I used the plural, and I included all members in that challenge.

Mr. Fisher: I point out that at least two members of this group have done their best to publicize this conference. I further point out that I gave several speeches in my own constituency to groups of professional foresters last year, and I can assure the minister that those foresters had not heard about the conference previously and those meetings were well reported by newspaper, radio and television. I believe the area I represent, in the main, knows probably more about this conference, which I consider very important, than other areas.

I come back to the point I made that if in April, 1961, the editor of a prominent business magazine had never heard of the resources for tomorrow conference, there is a fault somewhere in the publicizing of it. One of the points made was that this was an integrated undertaking and was not the sole responsibility of the minister. I quite agree, but I should like to point out to him that we have the minister of lands and forests in Ontario who, I understand, is on the committee. I have many criticisms of Mr. Spooner, but I recognize that he is an able, I might even say crafty, person. In so far as the minister for Manitoba is concerned, who I believe is Mr. Gurney Evans, I would say he is as qualified a cabinet minister as we have in all the provinces. I have already made my bow to the contributions made by Mr. Levesque who, I think, is doing a grand job in this particular context.

It is for this very reason, when I look at three men with this much ability, that I want to see the federal government take a stronger role. I want to see a strong man in there to make sure we get something from the conference. This is the challenge I put to the minister. It seems to me, Mr. Chairman, there is a common view in this house that if there is a weak minister in one department the opposition should be joyful. I have never looked at it that way. Despite the fact that we may be here as opposition members, I want to see whatever government is in power give good administration, with lots of dynamic force and lots of drive. This has been the basis of my objection, and I reiterate my disappointment.

In so far as the part of this department which I thought was of most importance is concerned, it has been removed now and has its own substance in the Department of Forestry. I should like to come back to what I felt was the key point of my criticisms, and I believe the minister suggested that I said there was nothing going on in the north. I indicated nothing of the kind. My point was that there was not enough going on in the south. I point out to the minister that he is the minister not only of northern affairs but of national resources. I point out to him that he can be pictured with all the Eskimo and Indian children in the world in his loving embrace, or watching what they are doing, but his department has other responsibilities as well.

I suggest to him that he read a brief—if he has not a copy of it I will send it to him—written by C. M. Campbell of Vancouver, British Columbia entitled "Canada: A Nation of Economic Liars". Mr. Campbell is a mining engineer who has been spending many years trying to convince Canadians that they talk too much about their unlimited resources and do not look closely enough at the realities of the situation. I pointed out one reality to the minister in my own area. He has, in his department, a map showing a road projected from somewhere north of lake Nipigon and running up toward Churchill in a certain direction. I know that road is not projected at the present time but is only presented as a preliminary idea in relation to a survey of that area.

In my own area, which contains 40,000 square miles, we want roads. We want the federal government to take the lead in the roads to resources program. However, in addition we still have this southern perimeter that has not been developed with the appropriate roads. The minister suggested that I said there was nothing going on in the north and this was a criticism, but my point was that the minister has a responsibility to keep his eyes on the south, too.

I should like to point out something that may give point to this criticism. There is a story in *Time* magazine for April 14, 1961, which I should like to put on the record, Mr. Chairman. It reads:

> Canada's energetic trade and commerce minister George Hees is not the man to bury himself in his own office, unaware of what goes on around him. His latest interest is the national parks. Travelling to lake Louise to inaugurate a new ski lift, Hees schussed down a slope, slued to a stop, and announced that he intended to speak to northern affairs and national resources minister Walter Dinsdale about opening up the parks for skiers.
>
> "I have skied in a number of places in Europe and Canada, but this is the finest skiing I have had anywhere," said Hees amiably. "It's ridiculous for Canadians to be going to Aspen, Sun Valley and Squaw Valley when they have skiing like this at their back door."
>
> Dinsdale just as amiably agreed that his cabinet man might have something. Added Dinsdale "I have got to get around and see the parks. I haven't seen any of them yet."

Mr. Dinsdale: Mr. Chairman, in reference to that quotation may I say that I was never interviewed by any members of the press. That quotation is purely fictitious.

Mr. Fisher: I am glad to get that denial. Is the minister suggesting that he has been around to all the national parks?

Mr. Dinsdale: I have visited most of the national parks. This applies patricularly to the west. I shall visit the maritime parks as soon as the house rises.

Mr. Fisher: I am very much interested to have this comment. However, I will go on with the story:

> Staff members of the national parks branch were less agreeable. Said one: "Private interests naturally are always putting pressure on the national parks system. Hees was going along. He is quite uninformed. Draw a 200 mile circle around Banff, and see what population it takes in. Your prospects aren't really outstanding." The six western ski developments operated by the parks branch are all at less than capacity.

What I should like to point out to the minister is this. The hon. member for Cape Breton North and Victoria and another member from Nova Scotia pointed out the possibility of developing skiing in the maritimes. We have evidence that the national parks branch is interested in this field. I thought if the minister was giving a real review of his department, he would go into this question. I think it is an important one. Here we find that one of his own cabinet ministers is misinformed, according to this story. I do not want to put too much credence in this particular bible; I refer to *Time* magazine. I think this is an indication that the minister has been less than candid. He certainly has not given us a discursive or full account of his responsibility. He seemed to want to fasten upon the hon. member for Port Arthur instead of giving us some indication of what is going on in his department.

I should like to turn to another matter with regard to which I think he was wrong. In his comments directed to me he implied that I had suggested that the mines, forests and waters committee was ignored by the department. What I asked for was some indication that their recommendations had been followed. I should like to have action. It was not only last year but the year previous and the one previous to that, that this committee made recommendations.

I have gone through the annual report. The minister has his deputy minister right there with him, and he can tell him. I cannot find in the annual report any indication that the committee really had any effect at all upon the department. I know it did with regard to the forestry branch, but what about the museum and some of the recommendations there? What about other aspects of this fairly large department? I should like to know what the result has been. I think this assembly deserves this information in an itemized account. What was the detailed reaction to the recommendations of the committee?

I think the minister misinterpreted completely the approach I was taking. I thought this was a good committee, although when it was considering this department I thought it perhaps proceeded a bit too much to the north. However, I credit this procedure to the zeal of the hon. member for Yukon. In connection with this particular matter I might point out that the hon. member for Yukon has made the point a number of times that representation of the north in a parliamentary sense is inadequate. I point out to him and remind the minister—because I am sure he is interested in this point—that there are a number of constituencies in Canada proper which in population and area are comparable —when you realize that population is considered to be the most important factor in determining a constituency—to anything we have in Yukon or Mackenzie River. I know the area sizes. I should like to give the hon. member an example.

Mr. Nielsen: I wonder whether the hon. member would mind my pointing out that I made no suggestion that representation in the north was inadequate. I pointed out that there was absolutely no representation in the Keewatin and Franklin districts of the north. That was my point.

Mr. Fisher: I should like to point out to the hon. member that parts of the constituency of Saguenay, the constituency of Churchill, the constituency of Port Arthur, and there is also one in Saskatchewan, in effect have no representation because of the population and where it is located. I have an area from Fort Severn in the northwest corner through to the tip of James bay and almost all the way to the C.N.R. railway line which it is almost impossible for me to cover as a member of parliament. I raise this matter here in order to indicate that the problem of the Arctic in terms of representation also has a parallel in the south.

Mr. Nielsen: But the people in those areas have a vote. The people to whom I refer have no vote.

Mr. Fisher: There were these same difficulties in Fort Severn. This was not the case in the last election. My emphasis here again is this. The minister is the minister of national resources. As minister of national resources he has a real challenge in the resources for tomorrow conference, namely to give an indication and a lead to the various provincial

legislatures; to lead, to persuade, to push, to get them moving in some kind of integrated plan of developing our resouces.

In relation to the resources for tomorrow conference, I should like to add that here there a tremendous emphasis on expertise. I should like to hear from the minister how it is planned to popularize the conference. A number of television programs have been set up. Arrangements have been made with the C.B.C. and the private stations to bring to the people what is being said there. Is an attempt going to be made to focus upon the provincial politicians who will be there in order to get from them some expression of opinion on how we are getting along on renewable resources? These are some of the things on which I should have appreciated comment much more than I appreciated having put on the record of the house some comments from an article that I had not read and for which I was not responsible.

Another point I should like to make to the minister in relation to this department is this. A number of years ago we had from the Massey commission recommendations that affected his department. Later on we had some consideration given to this problem by the mines, forest and waters committee. The minister has within his department what I might call some cultural branches. We know that the museum staff situation still has not been cleared up completely. At least we have not the balance in terms of language which hon. members from French Canada are talking about. When are we going to get changes in that branch to give us that balance? The minister did not talk about that matter at all. These are questions that I should like to hear answered in a situation such as this.

I do not want to take an inordinate amount of time. I suggest to the minister that in the future on his estimates he might consider being a bit more discursive and going into more detail. I think we would all appreciate that procedure much more than having a letter. I received a letter last year after these particular estimates were through. It stated that cost benefits analyses were going to be a definite part of the resources for tomorrow conference. This delighted me, because I think you cannot really look at resources without doing that kind of thing. But from following the conference and the way in which the matter was developing I know that the cost benefit analysis part of it almost slipped out of the proceedings altogether. I should have appreciated it much more if that very important statement by the former minister had been made in this house rather than in a letter to me.

In conclusion I should like to wish the minister all the best in his new portfolio. I do not think this parliament is going to last long enough for me to have the opportunity, but if I can in all honesty eat my own words, in so far as they have been critical, I give the hon. gentleman the assurance as fairly as I can that I shall be here to do it.

Mr. Pickersgill: Before this love feast between the hon. member for Port Arthur and the minister continues, I think I should protest on behalf of parliament against the offer which the minister made last night to the hon. member for Port Arthur, an offer which I think is absolutely outrageous. At the bottom of page 4391 of *Hansard* and on the following page I read these words:

> If, as the hon. member for Port Arthur has indicated he does not feel he is making a worth while contribution in the house, I should like to suggest that there is tremendous scope in our educational program in the north and we would be glad to welcome him into our program when he retires from this honourable house.

Mr. Chairman, these posts in the north are supposed to be awarded by the civil service commission after competition on the basis of merit, and I think it is simply outrageous for a minister of the crown to seek to silence a timid member like the hon. member for Port Arthur by an offer which is an offer to break the law and which, in addition, probably comes close to an attempt at bribery.

Mr. Small: I presume the hon. member is talking from experience when he says that applicants for these posts have to come before the civil service commission before they can be appointed.

Mr. Pickersgill: I hope so. I once appeared before a board myself, and I hope its decision was made on merit.

Mr. McCleave: I wonder if I could ask the hon. member for Bonavista-Twillingate whether he would advocate that the hon. member for Port Arthur should serve his apprenticeship to the hon. member for Essex East. That is one way to get into the Department of Northern Affairs and National Resources.

Mr. Martin (Essex East): How about asking the hon. member for Essex East whether he wants the hon. gentleman as an apprentice?

Mr. Pickersgill: I indicated earlier to the minister that there were a number of questions that I wished to raise, and I think I shall raise them one by one and give the minister an opportunity to reply to them so that we shall not get mixed up. The first question—and it will not surprise the minister—is one which I approached originally by means of a question on the order paper

last Thursday, when I asked the hon. gentleman, as reported at page 4047 of *Hansard*:

I should like to ask the Minister of Northern Affairs and National Resources whether his department has recently transferred its advertising account to a new advertising agency.

An hon. member suggested that the question be placed on the order paper. I thought that was a good suggestion, and subsequently I did place it on the order paper. In the meantime, however, the minister did me the courtesy to give me the following reply:

So far as I am aware, several agencies are handling the advertising account of the department. Those agencies have not been changed recently.

I then asked the minister whether he was aware that a story to this effect had appeared that day in the Winnipeg *Free Press*. Well, the story which appeared in the Winnipeg *Free Press* that same day read as follows under the heading "Government Job for New Ad Firm":

The new federal minister of northern affairs has farmed out his department's entire national classified advertising account to an agency in his home town which went on a full-time basis, as an advertising agency, only last Friday.

The agency is the J. B. Neill advertising agency, operated by J. Barry Neill, formerly the owner of Barry Neill's clothing store.

Mr. Neill was active in the Young Progressive Conservative organization in Brandon.

All the classified advertising for the department headed by Hon. Walter Dinsdale, including national advertisements for northern teachers and other workers—

Too bad the hon. member for Port Arthur is not here to hear this.

—is now being handled by a one man staff from a shared office in Brandon.

In Ottawa, the northern affairs department said Wednesday that the total classified advertising budget of their department in 1960 was $15,000.

Up until last Friday, the proprietor of the agency owned and operated a clothing store. He had a part-time advertising agency, covering some local accounts.

Friday the store was sold, and the agency became a full-time job for the proprietor. It operates from a shared office in a Brandon building, and the department of northern affairs account is the only national account in its files.

The proprietor of the agency said he and his secretary had no trouble handling the northern affairs account, even though it meant placing advertisements in papers across Canada, and some foreign advertising work.

The department of northern affairs pays a standard 15 per cent commission to the agency which handles its advertising.

Mr. Benidickson: Was this the civil service commission?

Mr. Pickersgill: I also have here an article from the Brandon *Daily Sun* of the following day. This is headed "City Man gets Government Contract" and it reads:

The head of a one man advertising agency here has confirmed reports that he has received an account from the northern affairs department.

J. B. Neill, a former member of the Brandon city council, said he had been handling the advertising account since early January.

Mr. Neill, former owner of Barry Neill's men's wear store—

I do not think I need to read all this. It is information of the same kind that appeared in the Winnipeg *Free Press*, and I shall not repeat it.

An hon. Member: Not a good paper.

Mr. Pickersgill: The Brandon *Sun* has never been a paper notorious for the support of any political party except the party of hon. gentlemen opposite.

Mr. Dinsdale: No, that is wrong. It is very fair and impartial.

Mr. Pickersgill: I do not say it is not, though it is hard for me to understand how a paper which is fair and impartial could support hon. members on that side of the house. But I made no reflection on the paper, unless it is a reflection to say that a paper supports hon. gentlemen opposite. I have been acquainted in a general way with the Brandon *Sun* for about 45 years, and during all that time it has supported the Conservative party as far as I know. According to this story, Mr. Neill said he had made no representations to obtain the account. It just mysteriously reached him, apparently. Perhaps I may continue the quotation:

He said northern affairs minister Dinsdale, who represents Brandon-Souris riding in the commons, had approached him informally about taking the account last December.

The account was awarded the following month. Mr. Neill said he was notified that he was getting it in a letter from the purchasing division of the northern affairs department. Mr. Neill estimated total billings expected annually from the account will amount to anywhere from $10,000 to $25,000. His commission is 15 per cent of this.

He said the account was handled last year by Cooper Advertising of Saskatoon, but "account switches are very routine in the advertising business".

Well, it does seem to me that a government which has cast about it a mantle of righteousness should hardly be found in a situation of this kind. We remember very well the propaganda which the present Secretary of State for External Affairs used to circulate around the country, when he held his previous portfolio, to the effect that the Tories had abolished patronage, and the exhibition he made at that time.

While it may be that the handing out of an account which will only amount to $10,000 or $15,000 is not a very big thing—I would not assert for one minute that it was—it still has important implications. It is considered a big thing when $10,000 a year is paid to members of parliament for a whole year's work, but apparently it is a very small

thing when it is incidental to some advertising man who has gone into business full-time only since last Friday.

Mr. Dinsdale: That is wrong.

Mr. Pickersgill: Whether it is wrong or right, two very reputable newspapers report that he has sold his store and that he went into business full time last Friday; that would have been a week ago Friday.

What I found strange was the answer given by the minister to my first question. The minister said that in so far as he was aware, several agencies were handling the advertising accounts of the department, and that these agencies had not been changed recently. I am not suggesting that statement was not correct, because I suppose one can interpret the word "recently" in as sophistical a way as one likes, but I should have thought most ministers with experience would have assumed, since they had only been in the portfolio for a very short time, that any change of this kind, particularly in their home town, would be the kind of thing about which there would be a certain amount of interest.

It does seem to me, to put it in the most polite way I can, that in the answer of the minister given the other day in the house I will not say that he misled the house, but I would say his answer was disingenuous. It was not the kind of simple, straightforward answer we expect from a minister who prides himself on being simple and straightforward.

I do not know if this is part of the government's new campaign to aid small business. I do not know about the Cooper advertising agency, if that is the agency that had this business before, but perhaps it had become too big; perhaps it was not right politically, or perhaps because it was in Saskatchewan the minister thought, being from Manitoba instead of Saskatchewan, there should be a switch.

It does seem to me that this is a rather extraordinary performance. After all, if all that is required to place these advertisements is a stenographer with spare time, or someone in the clothing business, I wonder why someone in the Department of Northern Affairs and National Resources could not send them directly to the newspapers and thereby save the taxpayers the commission. It does not seem to me it is necessary to follow this procedure if it is as simple as suggested. If the advertising agency is designing the advertisements, wording them and earning something through its efforts, that is another question; but I cannot imagine that the agency would illustrate the advertisements with pictures of the schools in the north where teachers are required, and that sort of thing. It seems to me this is purely a routine matter and I suggest that the committee is entitled to some explanation from the minister regarding this transaction.

Mr. Dinsdale: Mr. Chairman, I have listened very carefully to the words of the hon. member for Bonavista-Twillingate. He is a man with long experience in this house, as well as in the civil service, and I am sure the exposé he has just made, with all the infinite details and ramifications, indicates that when he was a responsible minister of the crown and also an official of the government, he was a master of intrigue. He has presented in his exposé many new angles which, in my innocence, I had never even considered. I am interested to discover the source of the hon. member's information in respect of the particular problems he has raised.

Mr. Pickersgill: The source of my information is the press of Canada.

Mr. Dinsdale: I understand this information comes from that reputable paper, the Winnipeg *Free Press.*

Mr. Benidickson: And the Brandon *Sun.*

Mr. Dinsdale: Yes, with the support of that other reputable paper, the Brandon *Sun,* as the hon. member for Kenora-Rainy River has indicated.

The hon. member for Bonavista-Twillingate has queried the accuracy of the reply I made to a question he asked in the house the other morning. I hope he has noticed that I said at that time that so far as I was aware there had been no change made recently in the advertising contracts of the Department of Northern Affairs and National Resources. I also went on to say that these contracts were of various types, the largest involved being those in respect of the tourist bureau, and that comes under my responsibility. The hon. member's question was worded in such a way as to give no particular indication of the advertising to which he referred.

I am happy to be able to assure him that when I gave my reply the information contained therein represented my knowledge of this subject at that time. There was no sinister intrigue involved, as he has implied.

In reference to the larger contracts, which amount to some $1,500,000, perhaps I should give this interesting piece of information. For some 15 years this total contract was held by one company, the Cockfield Brown Company. That company, I am sure, is not unknown to the hon. member for Bonavista-Twillingate because of its close association with the party he represents in this house. I should like to inform the hon. member that

the department of government looking after this large tourist bureau contract in 1957 divided that advertising business on an equitable basis among a series of companies so that everyone could be treated fairly in Canada. I am surprised that the hon. member has made such a mountain out of this molehill.

Last evening reference was made to a matter raised by the hon. member for St. Boniface, who had made representations on behalf of the Grey Nuns' hospital as a suitable historic site, and the hon. member for Bonavista-Twillingate took pride in claiming his early affinity with the province of Manitoba. Since he abandoned that province it seems he resents the possibility of any service being provided by a reputable representative of the province. If the business in question had gone to someone in Bonavista-Twillingate I suppose he would not have raised an issue.

Mr. Pickersgill: I would not advise the minister to pursue that line.

Mr. Dinsdale: I suppose if the business had gone to some of the so called reputable companies that had been associated with this advertising under the former administration he would not have protested. The agency to which he has referred has been in operation for some four years.

Mr. Pickersgill: Since June 21, 1957.

Mr. Dinsdale: That company is owned and operated by a young man who has been named in this house this morning. He is an outstanding citizen of the city of Brandon, formerly an alderman, who has performed outstanding services for that community. He has handled large contracts in the advertising field, and when the classified advertising business became available in the Department of Northern Affairs and National Resources it came to that department's attention that this agency was interested, and that individual was asked to apply. The reason I did not know whether there had been any change when I answered the question was that I had not particularly kept in contact with this matter.

Mr. Pickersgill: You should always keep in touch with your constituents.

Mr. Dinsdale: I am delighted to know that, following a very thorough investigation by the departmental officials, this young man was considered qualified to handle this particular aspect of advertising.

There were one or two misstatements in the newspaper account on which the hon. member has based his explanations this morning. I have already referred to the first when I reported that the agency had been in operation for some four years. Mr. Neill, who was formerly associated with Neill's clothing store, has been dissociated from that business for the period he has been operating the advertising agency. There is no cost to the crown in this operation whatsoever. The 15 per cent service charge is paid by the media which receive the advertising. That is the story straight and simple. The hon. member wanted it straight and simple, without any of the interesting and sinister overtones that he imputed, and I am happy to present it in this way.

Mr. Pickersgill: Perhaps I can ask one question. Before I do so I might point out I made no accusations whatsoever. I suggested nothing sinister. All I did was put on the record of the house what was in two reputable newspapers in Manitoba. I have no information whatsoever about this matter except what I read in the public press. It seemed to me that it was a matter of sufficient interest to the people of Manitoba and to the press—and I might say I have had several letters about it since the matter was first raised here, which would suggest that there is some interest in this matter—to bring up in this committee. But the minister, in his simple, straightforward explanation, has said something that I must answer; or perhaps I should not say this; perhaps charity is called for in a case of this kind. I will just read what Mr. Neill said, according to the Brandon *Sun*. I point out to the minister that this is according to the Brandon *Sun* and not the Winnipeg *Free Press*.

> Mr. Neill said he had made no representations to obtain the account.
>
> He said northern affairs minister Dinsdale, who represents Brandon-Souris riding in the commons, had approached him informally about taking the account last December.

I should like to ask the minister whether what Mr. Neill said is the truth.

Mr. Dinsdale: Mr. Chairman, when I mentioned the fact that this account was available he indicated that he was interested, and that interest was communicated to the officials of the department.

Mr. Pickersgill: Well, I have nothing more to say about this matter, sir, but I should like to ask the minister about another matter that has relationship to Manitoba. Some considerable time ago a motion was passed by this house for the correspondence exchanged between the government of Canada and the government of Manitoba with respect to a very big matter indeed in the affairs of that province. I refer to the Red river floodway, about which, before certain events happened four

years ago, the people who compose the present government, including their leader, made very large promises indeed which there seems to be a good deal of evidence to indicate they are very reluctant to keep. There has been a good deal of pressure in the legislature of Manitoba, and I could read from the *Hansard* of Manitoba to show this, to have this correspondence produced in that legislature.

On every occasion on which this matter has been brought up the premier of Manitoba has asserted that he could never get the consent of the government of Canada to its production in that house. Over a long period, under the hon. gentleman's predecessor, we had a very similar answer given here, but I must say it is to the credit of the minister that he has taken a rather different attitude toward the matter. He told the house the other day that he had secured the approval of the government of Manitoba to the production of this correspondence. I took it from that that it was the intention of the government to produce it.

I have not had time to check whether the correspondence has been tabled today, but I have checked *Votes and Proceedings* for the last fews days and there is no record to indicate that it was tabled up until last night. The minister ought to make an effort to make the correspondence available to us at once, during the lunch hour today, so that when his estimates are continued this afternoon we shall have an opportunity to examine the correspondence and ask any questions we wish to about it.

This is a matter of the gravest concern to the government of Manitoba and to the people of that province who have been badly enough treated, as the minister knows well, by the present government in the federal-provincial tax-sharing arrangements, and who are in all the greater need of the financial assistance they were led to expect they would get from the present government.

I hope the minister will see that this correspondence is made available to us by 2.30 this afternoon so that it can be examined while his estimates are being discussed. We had in the case of his predecessor, and we have had in the case of some other members of the government, examples of careful efforts to suppress information in this way until the estimates of the department were completed, with the material being produced immediately after. I would not expect the minister to behave in this fashion, and I hope he will accede to my request in this matter.

Mr. Dinsdale: On this particular point, I have been giving very active consideration to the question of tabling these documents, and I have been following the questioning by the hon. member in the house. I have been trying to push the matter forward as quickly as possible. I now discover that because it is a matter for interdepartmental consideration, I shall have to have clearance with the other departments concerned. So far as I am concerned the documents are waiting to be tabled. The hon. member will understand these problems, but this is the cause of the present delay.

With reference to the activities of the present Manitoba provincial administration in this regard, I should like to remind the hon. member that the only answer the previous administration had to this very urgent problem in Manitoba—those of us who lived through the flood of 1950 will never forget the serious threat it was—was, like King Canute, to order the waves to recede. There is positive action going forward, I can assure you, sir and the hon. member, with the Manitoba government at this time.

Mr. Pickersgill: Since it is now one o'clock I hope Your Honour will see me at 2.30, because I should like to make a few observations about the kind of action there has been on this project in the last four years.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Pickersgill: Mr. Chairman, at the time we adjourned for lunch the minister had just made one or two observations which really had nothing to do with the present and which I was rather surprised that this young and dynamic minister should make. When the present minister was appointed I thought we would have an end of these tiresome excuses we get from the government to the effect that because something was not done in the early fifties it should not be done in the sixties. That is the normal pattern of the government. When we ask hon. gentlemen why they have not kept their promises they say that Mr. King did not do that in 1946 or Mr. St. Laurent did not do it in 1952 or Mr. Douglas Campbell did not do it in 1950 as though that had any relation whatsoever to the undertakings these gentlemen opposite gave to the people of Canada, the promissory notes they signed which they refuse to pay. Whatever sins of omission—

Mr. Montgomery: What a waste of time. You are just wasting time.

Mr. Pickersgill: Well, Mr. Chairman—

Mr. Montgomery: On a point of order, Mr. Chairman, when we have to sit here hour after hour and take scoldings from the hon. member such as he is giving us now, it is about time we called him to order because he is not being relevant.

Mr. Pickersgill: As a matter of fact, the hon. member for Victoria-Carleton sat over here when the greatest filibuster in this country in modern times took place, and I do not recall the hon. member for Victoria-Carleton raising any points of order at that time about the fact that the opposition, which was quite considerably larger then than it is now, talked for hours and hours and days and days—with the most tiresome repetition.

Mr. Montgomery: All we are hearing today is purely repetition.

Mr. Pickersgill: It was anything but repetition to them at that time.

Mr. Montgomery: That is all we are hearing.

Mr. Smith (Calgary South): Are you attempting to make up for it?

Mr. Hicks: Turn the other cheek.

Mr. Pickersgill: I have turned both of them.

The Chairman: Order. I think we should come back to the discussion of item No. 279.

Mr. Pickersgill: I was simply doing what I think Your Honour himself decided was quite within the rules when you were acting for the Speaker in the chair, that if an argument had been introduced by some other hon. member and allowed by the Chair a reply should be allowed. I simply trying to point out to the hon. member for Brandon-Souris, who has recently become a member of the cabinet, that if he wants to get ahead in the government of Canada, and heaven knows there is lots of room at the top—

Mr. Smith (Calgary South): He should not take lessons from you.

Mr. Pickersgill: As a matter of fact, I have quite a lot of experience in this regard.

Mr. Smith (Calgary South): You certainly have.

Mr. Pickersgill: Of course, the hon. member for Calgary South, who belongs to the kindergarten in this house—

Mr. Smith (Calgary South): You are its chairman and you have been for some time.

[Mr. Pickersgill.]

Mr. Pickersgill: The hon. gentleman, who is very vociferous in the house—

Mr. Smith (Calgary South): Get to the point.

Mr. Pickersgill: —is as usual—

Mr. Smith (Calgary South): You are fumbling.

Mr. Pickersgill: —making his speech when someone else is making his. I do not object to that at all but I do not think it is adding up to very much.

Mr. Smith (Calgary South): What is your subject?

Mr. Pickersgill: Certainly hon. gentlemen opposite do not like this very much.

Mr. Smith (Calgary South): You have not said anything yet.

Mr. Pickersgill: What I was saying to the hon. member for Brandon-Souris was that if he hoped to get to the top in this government, where there is plenty of room, I might add, I would strongly advise him to deal with the problems of 1961 and 1962 and not to waste his time making excuses for his lack of action and for the lack of action of his colleagues because of something that happened some time during the fifties. I think the people of Canada are growing very weary of that tiresome kind of argument.

Since the hon. gentleman has chosen to pervert the record of the fifties, and since he has said that the people of Winnipeg will never forget what happened in the fifties, may I say that I hope they do not. I hope they never forget about the greatest generosity that has ever been shown to any people in Canada at any time, which was shown by the people of Canada under the leadership of the St. Laurent government in the disaster fund of that time. Complete restitution was made to everybody of their losses and a considerable amount was left over to remain as a disaster fund which has been very helpful to other parts of Canada. I do not believe my right hon. friend Mr. St. Laurent, or any of his colleagues, have any need to be ashamed or have anything to apologize for in connection with what happened with respect to the relief of the suffering caused by the Winnipeg flood or with respect to the study of the problem of preventing such a thing again.

I call to witness no better witness on this subject than the premier of Manitoba who, speaking in the legislature on March 15 of this year, had this to say about what was done after the flood. He was speaking in reply to a member of the opposition and he said:

> Do they not know that the engineering aspect of this matter was thoroughly and I think authoritatively, laid down by the investigation of the Red river basin committee that swung into action about 1954.

This is the premier saying the committee swung into action in 1954. The premier is talking about a committee set up jointly by the government of Mr. St. Laurent and the government of Mr. Douglas Campbell. He describes the study as one which was done thoroughly and authoritatively. I continue the quotation:

> And they investigated from an engineering standpoint the various methods that were open for the protection of this greater Winnipeg area.

There is no doubt whatever that this was a very thorough engineering investigation. There is no doubt whatever that to the government of Canada and to the government of Manitoba a very serious engineering problem was posed because here was a tremendous expenditure for engineering works that would have no productive advantage whatever. They would be insurance, insurance against a flood happening every so often, perhaps once in half a century and maybe not even that often. Anybody who knows anything about insurance knows that this is a very big and serious problem, to spend tens of millions of dollars to try to avert a contingency that may not arise for a couple of generations. This is the nature of the problem, and it is not an easy problem for anyone to decide.

Hon. gentlemen who are now sitting on the treasury benches thought it was a very easy problem. Of course, they were rather profuse in the promises they made before 1957. They were going to cure everything in the country; they were going to build the Chignecto canal, build a causeway to Prince Edward Island, which they are still studying, and all sorts of other things all over the country. One of the things they were going to do was to make Winnipeg floodproof for all time to come. This year, they finally got the promise into the speech from the throne.

Mr. Muir (Lisgar): I wonder if I may ask the hon. member a question?

Mr. Pickersgill: Certainly.

Mr. Muir (Lisgar): Can the hon. gentleman tell me what percentage of the money that was contributed to the Winnipeg flood disaster was voluntary and what part of this money came from the then Liberal government?

Mr. Pickersgill: As a matter of fact, I am sure that in the excellent accounts that were kept at that time, which I do not pretend to carry in my head, the hon. gentleman will be able to find that information. According to the rules of the house, even the government is not expected to provide published information in answer to questions. As a member of the opposition—

Mr. Muir (Lisgar): Then, the hon. member could perhaps tell me—

Mr. Pickersgill: Perhaps I could finish my answer to this question and then I will answer the hon. gentleman's next question. As a member of the opposition, and not having access to the same research facilities as hon. gentlemen on the treasury benches have, I do not know offhand what the answer is. However, I do not think it has the slightest degree of relevance to the subject we are discussing. Has the hon. member another question he wishes to ask?

Mr. Muir (Lisgar): I think it has some relevance because the hon. member talks about the great amount of money left over from the contributions made by the St. Laurent government. However, I believe that the greatest amount of the money was given voluntarily and the amount that remained was put to other uses because it was voluntary and could be used for other disaster areas in Canada.

Mr. Pickersgill: The hon. gentleman is quite right, and that is what I said.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Yes; if hon. gentlemen will look at the record—I give an undertaking that even if there are some grammatical errors I will not change them, so we will be able to look at it just the way it is being taken down, however lopsided it may be—he will see that what I said was, under the leadership given by the St. Laurent government the people of Canada subscribed in the most generous way I can remember to the relief of this disaster. These contributions were used and there was a great deal of money left over which was set aside as a national disaster fund. Perhaps I could clear up this point for the hon. member for Lisgar. If this money had been contributed out of the treasury, there would not have been any left over, of course. It was because it was in large part a voluntary contribution that some special legislative disposition had to be made. I do not want to denature the record in any way.

What I want to say is, so far as that situation was concerned, so far as the relief of the flood victims was concerned, it was never more complete in the history of Canada than it was in that case. So far as the studies of how to prevent such a situation in the future are concerned, we have Mr. Roblin's

own word for it in the provincial legislature this year that the most authoritative and thorough studies were initiated by the previous provincial government and the previous federal government. The suggestion of the minister that there was some neglect by his predecessors in this matter falls completely to the ground. Mr. Roblin has been premier of Manitoba now for three years, and he has certainly been trying to screw some money out of the federal government for this project every year. He is becoming increasingly embarrassed about this as he is about other aspects of his relationships with the federal government.

There are many of us who are beginning to feel rather sorry for Mr. Roblin. I have no doubt that he feels very sorry himself that he ever coined that slogan which I am afraid will never be forgotten, "As Dief did Duff will do." If Mr. Roblin could change it, I think he would say, "As Dief did Duff won't do", if he wanted to make any appeal to the people of Manitoba today. I am not here, of course, to appeal for charity for Mr. Roblin. All I am doing is trying to get this correspondence which has been held up deliberately by this government now for three years, and which the minister gave a very lame excuse for not producing earlier today. I hope he is going to produce it now.

As I say, for three years this correspondence has been held up. Nothing has happened. The legislature has now prorogued for this year, and if anything further is going to be done in co-operation with the federal government there will have to be another session of the legislature for that purpose. As I say, nobody in Manitoba can understand the reason for the delay or what is holding it up. I daresay some of us here with some experience with this government could give the answer. Probably the answer is to be found in a seven letter world starting with "f" and ending with "g". I leave hon. gentlemen opposite to fill in the blanks.

The Chairman: Shall vote 279 carry?

Mr. Dinsdale: Just before the vote carries I should like to make some passing references on the subject that has just been discussed at some length by the hon. member for Bonavista-Twillingate. As I explained in my reply this morning, the reason for the delay in tabling the documents has arisen from their interdepartmental nature. Just to demonstrate the desire of my department to be as helpful and co-operative as possible, may I say that I am quite happy to table at this time, if it is the wish of the committee, the documents which come directly under my purview. Where there is interdepartmental involvement, the hon. member will understand that I have no right to table those documents at this time. However, I shall be happy to let him see the documents which I am sure will ease the problem that has been discussed at some length here today.

It seems to me that we are becoming deeply involved in history during the consideration of these estimates and I feel that it is high time that we should move on to present activities and anticipated future activities. I am not going to pose as an authority on history but there has come to my attention something which I think should be brought before the committee in reference to a historical discussion that took place here last night. It has to do with the highly controversial question as to who first came to Canada's shores. Let me quote from the authorities. The hon. member for Bonavista-Twillingate last night was referred to as the "land-locked mariner from Manitoba". I think that was a more accurate description than the member who made it at that time realized because, on looking into the record of an important voyage of discovery—a record that was made in Sir John Barrow's book entitled "Voyages into the Arctic Region", I find that in 1776 a certain Lieutenant Pickersgill, in command of His Majesty's brig the *Lion* was directed to proceed to Davis strait for the protection of the British whale fishers—

Mr. Pickersgill: That is right.

Mr. Dinsdale: —and then to continue up the strait and explore the coast of Baffin bay. Barrow records the fact that Pickersgill eventually anchored the *Lion* in a place to which he gave the name "Musquito Cove".

In case the hon. member's colleague from Essex East should feel neglected, I might also remind the committee that the first of these northern explorers, the privateer Captain Frobisher, bore the christian name of "Martin". That is the contribution I should like to make to this historical discussion. I could add—

Mr. Pickersgill: You could add more about Pickersgill.

Mr. Dinsdale: Yes.

Mr. Martin (Essex East): You could add more about Martin.

An hon. Member: Roll in another barrel.

Mr. Dinsdale: I might say that the descendants of the said Lieutenant Pickersgill have been all at sea ever since.

We have a little bit more time at our disposal at the moment and perhaps, because it seems to be the wish of the members of the committee, I might give answers to some of the specific questions that were raised last evening.

I would reply to the hon. member for Queens-Lunenburg and inform him that one of the subjects he raised, namely the possibility of the blockhouse hill in his constituency being recognized as a historic site, will be considered on the May agenda of the national historic sites and monuments board.

The hon. member for Kenora-Rainy River inquired about progress on the civic centre at Banff national park. I am happy to inform him—and unfortunately he is not in the chamber—that tenders have been asked for in connection with this project and we hope that it will be under way just as quickly as possible. He also inquired whether it was established policy in national parks to assist in the construction of centres of this kind. I should merely like to remind him that Banff is almost a unique community in the national parks system. In fact, so far as I know, there are only two such communities where there is all year round residence. Therefore, this instance might be regarded as almost unique.

The hon. member for Cape Breton North and Victoria made reference to Englishtown. I can assure him that this question will be on the May agenda of the historic sites and monuments board. He will also be interested to know that the HD4 Hydrofoil will be provided with a suitable shelter in the fiscal year 1962-63 according to present plans.

The hon. member for Shelburne-Yarmouth-Clare brought to the attention of the committee some interesting recommendations. I think he is aware of the fact that there is at Yarmouth already a monument to shipbuilding.

I should like to refer back to one matter in particular referred to by the hon. member for Athabasca. I refer to the question of representation by the R.C.M.P. on the Northwest Territories council. I assure him that the contribution made by the R.C.M.P. to the development of the north down through the years is fully recognized by the department of northern affairs. Any change in the membership of the Northwest Territories council is merely in line with the policy to proceed to an autonomous position in the territories just as quickly as circumstances allow. We like to feel that the territories are independent in their governmental function as far as is possible under the present arrangement.

For some number of years on the Northwest Territories council, where there were formerly representatives from the various departments of government, we have been and are now following the policy of bringing in private citizens. In fact, now there are elected members as well as appointed representatives. The Department of National Defence is no longer represented. Neither is there direct representation from the R.C.M.P. However, let me repeat that the continuing contribution of the R.C.M.P. is full recognized.

The hon. member for Athabasca will also be interested to know that the road construction program in Wood Buffalo national park is proceeding according to schedule. By next year we shall have completed the road from Fort Smith through to the western boundary of Wood Buffalo national park. All that will remain for the continuous highway between Vermilion and Fort Smith will be a road built by the provincial government to the boundary of the park. I might also add that the total cost of this project will be $2,340,000.

Those are some specific answers to specific questions. The committee is in a congenial mood this afternoon and I am sure we can proceed to consider further items of the estimates.

Mr. Nixon: I understood the minister to say that some of the applications for preserving historic sites in Canada are to be dealt with next month. If that is the case, I wonder whether the minister would take a personal look at the old stone house in Sault Ste. Marie and see whether something could not be done to preserve that building as a historic site. It was built in 1812 or 1814 and it is, I believe, the oldest stone building in Ontario north of Toronto.

Mr. Dinsdale: As the hon. member has suggested, the historic sites and monuments board will be meeting toward the end of the present month. I shall be happy to look into this question but I should like to remind the hon. member that the basic criterion for having any historic site considered as a national historic site is, of course, the national aspect. It must have national significance. There are many other historic sites which deserve to be commemorated and such commemoration has been undertaken in the past, sometimes by provincial governments and at other times by local bodies. Subject to that reservation I shall be happy to look into the matter.

Mr. Garland: On several occasions I have raised the question of the proposed United States legislation regarding duty free goods which United States citizens are to be allowed to take back from Canada. I wonder if the minister has anything to say in this regard.

Mr. Dinsdale: I can assure the hon. member that I have been following this question very closely since it first came under discussion in the house. As he is no doubt aware, the matter is before congress at the present time and to make certain that Canada's viewpoint on this question is in no way misunderstood by the legislators in the United

States, I once again, only recently, pointed out through our Department of External Affairs the importance of this subject to Canada and in particular to the Canadian tourist industry.

Mr. Muir (Lisgar): Could I ask the minister to take a good look at the posibility of having Nellie McClung's home in the town of Manitou, Manitoba made a historic site? This great Canadian woman lived in this house which has been kept in a good state of preservation during the years when she did much of her writing and it seems to me the people of Manitoba would be very pleased if the minister would have this considered as a historic site.

Mr. Pickersgill: Since the hon. member for Lisgar is very anxious to commemorate the home of one leading Liberal in Manitoba, may I ask if he would also suggest that the home of the Hon. Thomas Greenaway in Crystal City should also be considered.

Mr. Muir (Lisgar): I did not know it was in order to direct such a question to an ordinary backbencher but I would think that though Mr. Thomas Greenaway is probably one of our better known Manitoba citizens his work is hardly of such a national nature that his home should be enshrined as a national historic site. I would suggest, however, that the hon. member might perhaps consider the home of the Hon. Robert Rogers.

Mr. Pickersgill: Is it still there?

Mr. Fisher: There is a tolerance and liberality about the hon. member for Bonavista-Twillingate that I wish I could share, but I cannot reach it. He put on the record his case from the Brandon *Sun* and the Winnipeg *Free Press* and, frankly he is so tolerant I cannot understand his reasoning. I did not know anything about the case before he put it so clearly and it seems to me the minister's answers were inadequate.

I should like to remind the minister that several years ago we had a hassle over the Riding Mountain national park situation. I can remember that there were charges and counter-charges of patronage, and the discussion did not simmer down until the hon. member for Brandon-Souris came in with his soft, susurrus voice and settled it all; we really did not believe that patronage could rear its ugly head at the park if the hon. member had any connection with the affair. I do not think that the passage of these estimates has been marked, so far, with blood and fire, but I might ask the minister to give us some further explanations. I will put a few direct questions to him. Was Mr. Neill a member of his party organization at any time? Was Mr. Neill by any chance a census enumerator? Did Mr. Neill have any great interest in advertising before? I tried looking through directories of firms in the west—a very inadequate source to look at, I admit—but I could not find any indication that this man had been long in the business. The hon. member for Bonavista-Twillingate is not suspicious at all, but for me there is something coincidental about this business starting up in 1957 in relation to this contract and the minister taking over his portfolio. If the minister were to tell me point blank that Conservatives rank first—and we had some indication of this in connection with the census matter—that would be fine, but I did not realize this applied to such things as advertising contracts.

There is no point in the minister giving to me the same answer he gave to the hon. member for Bonavista-Twillingate because Cockfield Brown means nought to me though it may mean a great deal to the hon. member for Bonavista-Twillingate. I believe there is a C.C.F. advertising concern out in Regina but whether it has had any jobs I cannot say. I do not want it to have this job. I would simply like to know if it is a fact that we have here a Conservative who, on the government coming into power, became an advertising agent; and then, when the present minister became minister of northern affairs —an old hometown boy and all that—he was given this contract. Is it as simple as that? Was the contract put out to tender? Did a number of Conservatives bid for it? For all I know there may be a whole bunch of Conservative advertising men in Brandon. I think the minister should give us a more detailed explanation because I am just not as tolerant and liberal today as the hon. member for Bonavista-Twillingate.

Mr. Dinsdale: I am sorry that my learned friend did not grasp the full import of the reply I gave to the hon. member for Bonavista-Twillingate. I thought I had made a complete explanation. The hon. member has gone back into history with reference to Riding Mountain national park and I assure him the reason that particular subject ceased to come under discussion in the house was because the difficulty was straightened out, as he well knows.

Regarding the advertising accounts, I understand that tenders are not involved in the advertising accounts of government departments, particularly with reference to the classified type which has come under discussion today. I would reiterate that it is the publicity media, whether it be the press, magazines, radio, or television, which pays

the service charge on these particular advertisement items. There is no charge to the crown whatsoever.

So far as the qualifications of the manager of the Neill Advertising Agency in Brandon is concerned, I would repeat that he is a very reputable businessman who, at a remarkably young age, has shown considerable enterprise not only in the business world but also in public service.

Mr. Pickersgill: And in the political world.

Mr. Dinsdale: He has been active in the past in the Young Progressive Conservatives' Association, which I think demonstrates he is a man of considerable discernment and wisdom. While checking further regarding his credentials—this is something I did not know before—I found he is accredited to a reputable advertising agency in Canada.

Mr. Fisher: I am pleased to find this candour at last. It is of assistance. I think the people of Canada will be pleased to know that it is a help to be a young Conservative or a Progressive Conservative if it is desired to acquire these advertising contracts. These are facts of life which are sometimes denied. I am not complaining about this at all but now we know that if one wants an advertising contract with the minister's department it helps if one is a Conservative.

Mr. Dinsdale: Mr. Chairman, I would like to point out that Mr. Neill's advertising agency is the only one in the city of Brandon, and if there were an advertising agency operated by a C.C.F. supporter we would be pleased to consider him.

Mr. Fisher: What advantage does the city of Brandon have which flows from the Department of Northern Affairs and National Resources? I am sure the minister made his offer in respect of all of Canada, but does he intend that all those individuals should line up to see him about an advertising agency? There is an advertising agency in Port Arthur which is run by a Conservative, and I am wondering whether he would be a fair candidate. I suggest that we should let him know about this situation.

I would like to ask the minister a question about something else. I realize he is just getting into his job, and I am sure he is reviewing these things, but the Massey commission made a number of recommendations in relation to certain agencies under the control of the minister's department. I wonder whether the minister would care to comment regarding the steps which have been taken to implement these recommendations, and perhaps comment about those which he does not intend to implement at all. I am not interested in the war museum particularly but much more in regard to situations such as the one discovered in Newfoundland by Mr. Smallwood who said the federal government should be stopped from shanghaiing relics for monuments from the sacred soil of Newfoundland. I believe the Massey commission made certain recommendations in regard to both national relics and monuments, and those bearing a relationship to the United States, and I would like to know what the minister has done in this regard. As far as I am aware there has been no legislation introduced in this house bearing on that subject.

I would also like to ask the minister about the part French Canadians play in the structure of the national museum? We all remember the unfortunate affair involving the separation of Dr. Rousseau. I understand he is now over in Europe carrying out some kind of task. The minister is probably aware that Dr. Rousseau was separated from his rather important job in the department, and I am wondering what has been done in this regard. The Prime Minister is always talking about our bicultural and bilingual country, but it is sometimes difficult to appreciate that our French Canadian representatives have a share in the upper management of these particularly cultural assets, such as the national museum. I wonder whether the minister could let us know what he is doing in regard to seeing that this balance is redressed.

Mr. Dinsdale: Mr. Chairman, I see my hon. friend is continuing to play his role as a pedagogue in assigning certain research programs to me this afternoon. I assure him I am vitally interested in the recommendations of the Massey commission with respect to many matters, particularly those which come within the purview of my department.

He will remember that one of the recommendations had to do with the protection of archaeological sites in Canada, and the artifacts from those sites. Up until quite recently many of these irreplaceable archaeological treasures had been lost to Canada by reason of uncontrolled development and exploitation. We have been very active in the protection of these sites, mainly through encouragement in the training of Canadian anthropologists. This is something which cannot be resolved overnight by this method; that is, by ensuring that there are a sufficient number of qualified Canadian professional personnel to take care of this important work.

One of the difficulties in finding suitable bilingual staff for our museums arises from the fact we do not have a sufficiently large number of Canadians with the necessary professional training who possess bilingual

ability. I am happy to say that we have made certain progress in this regard. The national museum staff includes 21 members who speak French fluently, of whom four are professional scientists. A number of other staff members have a working knowledge of the French language, but great difficulty has been found in filling some of the highly specialized positions at the museum with staff who are bilingual and it has been necessary in some cases to find applicants from outside Canada. We are quite confident that, with the encouragement which has been given to training Canadians, this difficulty will be resolved within a comparatively short time.

Mr. Deschatelets: Mr. Chairman, I wish to ask the minister a few questions in regard to the item covering museums. I would like to know whether Dr. Rousseau has been replaced by a French speaking employee at the museum.

Mr. Dinsdale: Mr. Chairman, there has been no permanent replacement found as yet. This is the human history side of the museum's activities and the director of the museum, Dr. Russell, is serving in an acting capacity until such time as a suitable candidate is found.

Mr. Deschatelets: Do I understand from the minister's remarks that he expects to choose a French speaking candidate for this position?

Mr. Dinsdale: Mr. Chairman, we are seeking very diligently for the right sort of candidate, and if we find a French speaking candidate with the necessary qualifications we shall be happy to consider him.

Mr. Fisher: Mr. Chairman, I should like to ask the minister a question in relation to national parks, and the matter of skiing. I would like to know what representations have been made in the past by the Canadian ski patrol association in respect of extending its activities into national park areas or, if not extending their activities into that field, perhaps in helping to standardize safety patrol procedures which may be carried out at present by national parks personnel.

In saying this I am not suggesting any criticism of what the parks may be doing—I do not know what they are doing—but I should like to know whether in this rather fairly rapidly growing safety movement in the field of skiing, and skiing is the fastest growing sport we have that relates to tourism, there is any liaison established between the parks and the skiing patrol association and, of course, the C.A.S.A. itself, which is in a sense the parent organization of the Canadian ski patrol.

[Mr. Dinsdale.]

I have one last question in relation to historic sites and monuments that I should like to put to the minister. A group of the citizens of Fort William have become enthusiastic about re-creating the old Fort William. A committee has been organized, I think it is called the committee to restore the old fort, and it has sent letters to a number of people, including the members for Fort William and Port Arthur and also the Prime Minister. Having regard to our present budgetary position, I was somewhat amazed at the very optimistic reply the Prime Minister gave to this association, indicating that there is an excellent chance that government support of a very substantial kind will be available to renovate this fort or to create the old fort anew. Since the scale of expenditure to recreate the fort would be in the nature of several hundred thousand dollars and since, as I said, the Prime Minister was, in the letter I read, fairly optimistic about it, can the minister indicate whether this whole question has been brought to the attention of his department, and whether the Fort William fort is one of the projects that is being appraised or analysed at the present time?

Mr. Dinsdale: I am very pleased to see the interest of the hon. member in the matter of skiing development in our national parks. Obviously he has caught the enthusiasm of the Minister of Trade and Commerce in this respect. I do not know whether he himself is personally a skier, but I can assure him that one of the activities we regard as highly suitable to the fundamental purpose of the national parks is that of winter skiing. Boating, hiking, swimming, and all those activities which are closely associated with the enjoyment of nature are the type of recreational activities we like to encourage.

In the mountain parks, of course, the skiing development has gone on much more rapidly than in other areas. I am happy to inform the hon. member that in Riding Mountain national park there is a ski site under development at the present time. I think perhaps there is a slight misunderstanding. The national parks branch as such does not actually participate in the skiing operation itself. It provides the site and develops it and then it is turned over to private enterprise to operate as a recreational feature.

In regard to the safety patrol group, I can assure the hon. member also that wherever there is skiing activity in our national parks the skiers themselves see to it that they have close liaison with the ski patrol.

With respect to the other question, the old Fort William site has been very thoroughly examined and investigated by the historic

sites and monument board. As the hon. member knows, this board is made up of outstanding historians in Canada, including men of the stature of Dr. Creighton. They are selected to advise the government on the historic facts surrounding those various sites.

The difficulty in connection with Fort William—and I believe this information has been communicated to the hon. member—arises from the fact that the original site is no longer available. We cannot have the historic site, of course, if it is no longer available. That has been the fundamental difficulty in connection with the development of this historic site.

Mr. Fisher: I have one further question to ask the minister. It relates to a private member's public bill on the order paper at the present time. Since the minister heads the department responsible for this whole question of historic sites and monuments, I wonder whether he has given any consideration to helping the hon. member for Brantford, or helping to sponsor as a government measure, relating to the idea of creating a national holiday of the birthday anniversary of Sir John A. Macdonald? Has any consideration been given to that matter by this particular committee? I know it is an abstract thing rather than something concrete, but after all the creation of a day every year as an annual holiday would be a monument, I am sure the minister would agree. I should like to know whether he has given any consideration to it?

Mr. Dinsdale: Oh, Mr. Chairman, although my department ranges far and wide, and although the hon. member does not think I do anything, let me say that despite the fact that we are a busy department, this is one function that does not come under my purview. The question that he has raised would be regarded more as a historic institution than a historic site. I mean that in a sociological sense, because it is certainly true that Sir John A. as the founder of this nation, as the man who first established the national policy which made this country great, should be commemorated in this way. The present government is carrying on this national policy and moving Canada forward from strength to strength and I am sure we appreciate the hon. member's recognition of the fact.

Mr. Pickersgill: If we can get back once again into the twentieth century, sir, I should like to ask the minister whether Fort Rodd in Victoria has been taken over by the historic sites and monuments board? Can he tell me at the same time on what date this request was first made or the matter was first brought to the attention of the historic sites and monuments board, and on what date they made their decision?

Mr. Dinsdale: I have not the specific dates referred to by the hon. member for Bonavista-Twillingate. He himself implied just a few moments ago in a reply that he did not carry these detailed statistics around in his head, and neither do I. But I do assure him that Fort Rodd has been taken over by the historic sites and monuments board, and it has been recognized by that board as a national historic site.

Mr. Pickersgill: Perhaps during the course of the passage of the estimates the minister can get the information and give me the date on which the matter was first brought to the attention of the historic sites and monuments board and the date on which the decision was made. I should really like to have that information later on but I am not pressing for it immediately.

Mr. Nixon: Mr. Chairman, I have before me some figures on several items of the estimates of the Department of Northern Affairs and National Resources. One of them relates to travelling and removals. The figures in 1957 were $625,854. The estimate for this year is twice that, $1,273,968. I should like the minister to tell us if he will the reason for this and also for the increase in telephones and telegraphs which in 1957 amounted to $40,869. The figures are over three times that in the estimates for 1961-62, $127,811.

Mr. Dinsdale: Mr. Chairman, as was pointed out several times during the course of this discussion, there has been a great increase in activity in the north during the past two years, and the increase in expenditures to which the hon. member has referred is related directly to this tremendous upsurge of northern development. Transportation is one of the major difficulties in northern Canada, as the hon. member will appreciate. Northern Canada constitutes 40 per cent of our total land area; it is rich in minerals and resources of all kinds, including human resources. This increased cost is merely a reflection of the increased activity and the same applies, of course, to the cost of telephones, telegrams and so on. There was a time not long ago when such communication was quite impossible, and this is all evidence of the tremendous development taking place in the north.

Mr. Pickersgill: Mr. Chairman, I have had a few minutes to look at this correspondence with the Manitoba government which the minister explained was incomplete, although I must say I have not been able to peruse it very carefully. I think the minister owes

the committee a better explanation of the delay of the government in dealing with the Winnipeg floodway than simply to read about Lieutenant Richard Pickersgill who went to Baffin land in the late eighteenth century. I have here, for example, a letter written by Mr. Roblin, the premier of Manitoba, on February 4, 1960; not 1961, but 1960. The letter was addressed to the minister's predecessor, of course, who may have been absorbed with visions at that time that did not embrace the Red river. The second paragraph reads as follows:

I am naturally pleased to have this advice—

The advice referred to was that contained in the previous paragraph, that a member of the water resources branch had been appointed to consult with the officials of Manitoba.

—and I hope that the necessary approval will be forthcoming in time to allow us to take advantage of the coming construction season.

That was the construction season of 1960. February 4, 1960 happened to be the same day, of course, that the Minister of Labour was on the air on "The Nation's Business" telling us that the recession was over, and it may be that in February 1960 the government did not think it was important to have work in Manitoba in the summer of 1960. However, before the summer of 1960 was over even the most obtuse members of the government must have been convinced that any project that would supply more work would have been a useful thing to undertake. But Mr. Roblin, of course, did not get any construction under way. He did not get any approvals in 1960.

Then there are some other bits and pieces of correspondence involving other departments that would have to be fitted into the jigsaw puzzle but those departments have not yet seen fit to bring down their correspondence. However, I have here a letter which it is not possible for me to understand fully because the letter in reply to which this letter is written to the present minister by the minister of agriculure of Manitoba is not here. The letter is dated January 3, 1961, and it makes certain proposals with respect to getting on with the floodway. I gather that the minister of agriculture of Manitoba has ministerial responsibility for this project which the Manitoba government seems to want to carry out but in which the federal government seems very reluctant to take any part notwithstanding its promises of 1957 and 1958. Let me read the last paragraph of Mr. Hutton's pathetic appeal in January of 1961 when unemployment had reached the highest peak it had reached since the thirties. Mr. Hutton wrote as follows:

[Mr. Pickersgill.]

I would request your early consideration of the above proposal, your advice as to whether it meets your approval and if so, assurance that your government would be prepared to include the cost of the above services as part of the shareable costs of the floodway project.

I draw attention to these words, and point out this is from a Tory government, a very friendly government, one supposes. This was in January of this year.

I am sure you realize that it is imperative that this project get under way as quickly as possible but that before doing so the very considerable amount of planning and design work must be undertaken. Your earliest possible consideration and advice in respect to this matter would therefore be appreciated.

That was on January 3 of this year. I look at the calendar and see it is the 5th of May. The record is not quite equal to that of the Minister of Finance with respect to depressed areas but very nearly so. Four months have gone by and there has been no answer. I assume there has been no answer because if there had been one I assume it would have been produced with the correspondence. If this is the way the government treats a friendly Tory government, you can imagine the way it treats governments that do not have the advantage of having in them young Conservatives, as the hon. member for Port Arthur pointed out. I think the minister should tell us what has happened with respect to this floodway.

Mr. Churchill: Are you going to run in Manitoba in the next election?

Mr. Pickersgill: No.

Mr. Dinsdale: It is too bad, Mr. Chairman, that the hon. member for Bonavista-Twillingate ever forsook Manitoba.

Mr. Churchill: Not too bad for Manitoba though.

Mr. Dinsdale: We would have a wonderful advocate had he not shaken the dust of that province from his feet and sought fame and fortune in eastern Canada. In reading the letter he has been rather selective.

Mr. Pickersgill: I read just the last paragraph and I said so.

Mr. Dinsdale: I think that reading just the last paragraph did not give the full purport of the document. Actually what the minister of agriculture of Manitoba was discussing was the idea of setting up a joint committee to consider the engineering problems with respect to the floodway development. I am happy to assure the hon. member that that committee is operating and busily engaged in working on the necessary details.

Mr. Pickersgill: Would the minister tell us what the division of costs is going to be for this project?

Mr. Dinsdale: As I have intimated when questioned on this point on earlier occasions, this is a subject that is under negotiation and it is one of the reserved items in the documents.

Mr. Pickersgill: The Manitoba government cannot proceed unless they do what Mr. Roblin, I thought rather foolishly, threatened to do on one occasion, pay for it themselves. He did not know with whom he was dealing when he made that remark, and I suspect it was a bad day for Manitoba when he made it. The question of the division of costs has been discussed for two years. It has been discussed in the legislature and, judging from the debates which I have read and some of which I had in my hand a few moments ago but sent to the *Hansard* office, Mr. Roblin has been red-faced and embarrassed over this matter because his friends were not coming across. It seems to me that surely this is not such an insuperable problem. Surely the government can make up its mind about a question of this sort if indeed it ever intends to do anything about it, which a lot of us suspect it does not.

Mr. Fisher: There is one point about which I have not asked the minister. I do not think it is a particularly delicate one, but several months ago I noticed in the Manchester *Guardian* a news story to the effect that the bishop of the Arctic was in Britain recruiting young men in particular to work in the Arctic. I am sorry I do not have the quotation here. I could not find it in my file. However, I think it is fair to say that the gist of it was that it was extremely difficult to obtain within Canada itself the kind of people to carry on the many necessary chores, not particularly in religious work, although that was involved, but in teaching and other fields. Can the minister indicate to me as someone who does not know very much about the matter whether it is a fact that the Anglican schools are having great difficulty in securing teachers and that they have to recruit from outside of Canada in order to keep the facilities operating?

I should like to know also, if this should be the case, if these schools in the north run by the Anglican church are being staffed by people from England? Is any consideration being given to giving some kind of assistance so that Canadian teachers can be put in these schools?

Mr. Dinsdale: In reply to this question I shall have to correct a misunderstanding. The schools in the Arctic are federal schools; they are not church schools as such. The churches have the responsibility of operating the residential hostels, which are a very important adjunct to our school operation because of the distances involved. They are federal government schools, and are operated as such.

In so far as the problem of staffing the schools in the north is concerned, I shall be quite frank and say there is some difficulty in getting suitable candidates as teachers. It was because of this situation that I suggested the hon. member might be interested in going north. I assure him, in reply to what the hon. member for Bonavista-Twillingate said, that should he indicate his desire to go north his application would be duly processed by the civil service. It is done in that manner so that we can get the best possible candidates.

While it is difficult to get suitable candidates, I might also add that I am informed each and every teacher in the federal schools in the Arctic is a Canadian. I am very happy to inform the committee that with the growing interest in the north, more and more of our young men and young women are willing to come forward and pioneer in this new frontier.

Mr. Fisher: In so far as this point is concerned, one of the reasons for my misunderstanding was probably the explanation the minister gave some time ago in connection with the difficulties of teaching French in northern Quebec and Labrador. The minister's answer seemed to stress the Anglican religion of the people, and I assumed this meant the framework of the school system still had a religious bias or religious foundation. I quite clearly gained the impression from the reported remarks of the bishop of the Arctic that he was recruiting for more than just members of the clergy to go into the north.

Mr. Dinsdale: No, Mr. Chairman, I can assure the hon. member that he was recruiting missionaries for work in the north. It is unfortunate the wrong impression was left or created by the reply to the question the other morning. The denominational aspects in our Arctic schools enter in in relation to the selection of teachers. Where there is a greater percentage of Anglican adherents, the teacher is from the Anglican faith. Where there is a substantial majority of the Roman Catholic faith, the teacher is of the Roman Catholic faith.

Mr. Pickersgill: I should like to ask the minister to clarify his statement. The minister is talking about schools in the Arctic. The question was asked in relation to Eskimo schools in the province of Quebec. The minister is not suggesting that his department is running schools in the province of Quebec?

Mr. Dinsdale: Yes, Mr. Chairman. If the hon. gentleman will examine his map of Canada, he will find there is an area of the Arctic in the province of Quebec.

Mr. Pickersgill: That is not my question at all. I asked if the department of northern affairs is conducting any schools in the province of Quebec?

Mr. Dinsdale: Yes. It has been pointed out to me, Mr. Chairman, that there are eleven Eskimo schools operated by the department of northern affairs in northern Quebec.

Mr. Pickersgill: There are, of course, none in the province of Newfoundland?

Mr. Dinsdale: No, Mr. Chairman, the situation in Newfoundland is quite distinct. As the hon. member knows, I would imagine, under the terms of confederation there is no differentiation between the various residents of the province of Newfoundland. The Indians and Eskimos are completely integrated into the population.

Mr. Pickersgill: I do not want to lead the minister down the garden path. The minister, I think, knows there is no differentiation between the Eskimo and other people of Canada, but only between the Indians and the other people of Canada. The only people who have any special status in any part of Canada are the Indians. It is not because of any special status that anything is being done for the Eskimos, it is because of their remoteness. Most of them, I suppose, before confederation was completed in 1949, lived in the Northwest Territories, not in the provinces. There was no appreciable number of Eskimos in the provinces except in northern Manitoba and Quebec. It may well be that with the entry of Newfoundland into confederation, the majority of the Eskimos, or a considerable proportion of them, are now in the provinces.

I noticed the undertaking the minister gave to my colleague from Grand Falls-White Bay-Labrador the other day. It does seem to me that there should be equal treatment for the Eskimos in all parts of Canada. It is true that, with respect to the Indians, when confederation was completed in 1949 it was decided not to bring the Indians of Newfoundland under the Indian Act. I think that was a wise decision. Perhaps a mistake was made at that time, which I hope is going to be repaired in time, in that notwithstanding the fact these Indians were not going to come under the Indian Act, they were not, as they should be, treated just as well by the federal government as are other Indians in other parts of Canada. However, I know that is not the minister's responsibility.

[Mr. Pickersgill.]

Mr. Deschatelets: I should like to add a few words on this problem, Mr. Chairman. In 1955, I believe, the present minister was a member of the special committee on estimates. It is reported that when we came to the question of education of the Eskimos, Mr. Lesage, the then minister of northern affairs, told the committee he had been in touch with the representatives of both the churches concerned in Canada. Does the minister not feel it would be wise to consult with these authorities before making any plans to educate these Eskimos, and to consult with the Roman Catholic and Anglican churches as Mr. Lesage did in 1955?

Mr. Dinsdale: I am informed that the closest possible consultation continues between the department of northern affairs and the bishops of the respective Anglican and Roman Catholic churches.

Mr. Pickersgill: There is just one question I should like to ask the minister. Could he say what government was in office in Quebec when these Eskimo schools were established there?

Mr. Pigeon: Mr. Lesage was minister at the time.

Mr. Dinsdale: I am just trying to discover the date when these schools were opened. It was 1949.

Mr. Pickersgill: I can answer the question for the minister. If the schools were established in 1949, Mr. Lesage was not a member of the government of Canada. However, Mr. Maurice Duplessis was the premier of Quebec, and that great champion of provincial autonomy permitted the federal government to establish these schools in the province of Quebec. It does seem to me that little bit of history ought to be put on the record.

Mr. Fisher: I know the minister said that the schools in the north are federal schools. He also gave the impression that, in essence, these denominational schools, as he called them I think, in Quebec, were sectarian schools. What I want to know is this. As the educational system develops and as we get into the ambitions of the department as expressed in the annual report to give these Indian children more extensive education at a higher level, for example, as to these technical schools and trade institutes, are they going to continue within the sectarian framework or are they going to be more like, let us say, the schools to which we are accustomed in Manitoba or Ontario?

Mr. Dinsdale: I think I should point out that the school situation in the north is rather the result of a historical development. The church missionaries were pioneers in the

north. Both the Roman Catholic church and the Anglican church missionaries were the first to bring education to our northern Canadians. They had established certain priorities in this regard. When the decision was made to provide adequate education for all the young people of Canada's northland, the outstanding contribution of the churches in the north had to be taken into consideration. That is the reason for the denominational criterion with respect to the hiring of teachers.

So far as the vocational schools are concerned, I am happy to inform members that in schools of this type catering to children of the high school level and the teen-age group, we are hoping to move them forward to a completely integrated school. This objective has already been accomplished at Yellowknife. I trust that the hon. member can travel down north on some occasion and I think he will be impressed with the educational program at the Sir John Franklin school at Yellowknife where we have a complete integrated educational program with Indians, Eskimos and white children working side by side as Canadians.

Mr. Fisher: The minister may remember that one of the recommendations of the parliamentary committee on mines, forests and waters was that arrangements be made to take members of parliament on tours to see these facilities. I am afraid I am not in a position to do this on my own funds. I would have to be, in essence, a freeloader if I were going to do it.

I should like to get back to what the minister has explained and again this is a matter of curiosity. The position in relation to the schools is this. The minister says that we are carrying on historic tradition. However, in essence it is substantiating in religion a status quo. I think he would agree with that statement. I just want to put this question. With regard to education has there been any other denomination or sect interested in proselytizing or doing missionary work in the north? Have they been interested in the present school set-up or have they been critical of it?

Mr. Dinsdale: As I indicated just a few minutes ago, the two pioneer churches in the north have been the Anglican church and the Roman Catholic church. No other denomination has expressed any interest in educational programs in the north.

The Acting Chairman (Mr. Chown): I recognize the hon. member for Scarborough.

Mr. McGee: I have been trying to catch your eye, Mr. Chairman, for quite some time now in order to ask the hon. member for Port Arthur, and the hon. member for Bonavista-Twillingate who has been monopolizing the time of the committee here this afternoon, whether they could not pep up their delivery a little bit. I noticed a group of students were falling asleep and the guard was having a difficult time keeping them awake. It was only when the minister started to make his incisive remarks that this tendency was restrained in any way.

Mr. Pickersgill: I will endeavour to oblige the hon. member for York-Scarborough and disturb his own slumbers by reading a little bit of an extract from the May 10, 1960 issue of the Halifax *Chronicle-Herald* which is rapidly becoming my favourite newspaper. May 10, 1960 was 370 or rather—I am doing my arithmetic the wrong way—360 days ago. Certain events which had not come to an end were then transpiring in the province of Nova Scotia.

Mr. McCleave: It was 370 days ago.

Mr. Pickersgill: Was I right the first time?

Mr. McCleave: Yes, you were right the first time. Then you made the usual unfortunate mistake of changing it.

Mr. Pickersgill: As a matter of fact, I will leave the arithmetic to the senior member for Halifax or the taller member for Halifax who really does not have much else to keep him occupied since the divorce committee ceased its operations.

Mr. McCleave: I am keeping you honest; and that is quite a job.

Mr. Pickersgill: This item is headed: "Nowlan Promises Big Power-Net Spending." It is under dateline of Annapolis Royal and it reads as follows:

> National Revenue Minister George Nowlan said here Monday night that the federal government planned to spend a large amount this year on the development of power between Nova Scotia and New Brunswick.
> Mr. Nowlan was one—

There is a good deal about where he was speaking and so on. I will spare the minister any embarrassment by failing to identify that. Mr. Nowlan went on to speak about many things that have happened or which he asserted had happened down there and then he went on to say this:

> This year, ... it was proposed to spend a large amount on the power pooling project. This would reduce the cost of thermo-power development to less than seven cents per kilowatt.

When we get to the appropriate item—and I am just serving notice on the minister now so that his officials will have a chance to be prepared—I think the committee would be interested in a full report of what has happened in the years since this statement was

made and particularly the extent to which the cost of power has been reduced.

Mr. Dinsdale: Before this item passes I should like to expand the reply I made to the hon. member for Port Arthur and indicate that the information I gave applied to the Northwest Territories. The Yukon Territory again is another situation. So far as the Indian population is concerned in the Yukon Territory, the hon. member for the Yukon informs me that the Baptist denomination has been very active there.

The Acting Chairman (Mr. Chown): Shall item 279 carry?

Mr. Garland: I should like to ask the minister a question in order to get an explanation. If I heard him correctly, on two occasions, I think—once since lunch and once before lunch—he indicated that the advertising contracted for by the government and paid for by the government, in respect to that 15 per cent slice off the top to the agency was at no cost to the government. How does he support an argument of that kind, where it is contracted for by the government and paid by the government?

Mr. Dinsdale: I am informed that this is normal procedure in advertising agencies. Businesses of all kinds and government departments, rather than involve their own personnel in placing these advertisements seek the services of qualified representatives or agencies which have experience in the field. They find that a much more efficient operation can be carried out. The amount of business that is handled by these agencies is in various sums which do not involve any profit so far as the company or the organization or the government placing the advertisement are concerned. They merely indicate that these advertisements are to be placed. The firm or the agency concerned does all the necessary work and the percentage is added to the cost of the medium involved in the advertising. The medium pays a 15 per cent service charge.

Mr. Garland: I am well aware of the mechanics of it but surely the minister is not suggesting that this can be done at no cost to the advertiser. Surely this is a built-in part of the rate which a particular medium might be charging. To suggest that a 15 per cent slice off the top is not paid in the end by the government is, I think, unrealistic.

Mr. Dinsdale: If the hon. member would consult any reputable advertising agency he would find that this is the practice.

Mr. Pickersgill: The money comes out of the treasury just the same.

[Mr. Pickersgill.]

Mr. Dinsdale: No. If the government or a company were to place their advertisements directly with the various media it would cost them precisely the same as it would to use the services of an advertising agency.

Mr. Garland: It is a thin argument, when these lush contracts are passed out to the political friends of the minister, to say that it is done at no cost to the federal treasury.

Mr. Dinsdale: I think the only way to put this point across would be to ask the hon. member to approach any advertising agency. I think it would inform him that it is the publicity medium which pays the 15 per cent.

Mr. Macdonnell: I am not sure whether the minister qualified one statement which he made—a statement which devastated me—to the effect that only two churches had shown any interest in education in the north, namely the Roman Catholic church and the Anglican church. The Presbyterian church has always prided itself on its interest in education, and to be left in outer darkness is a shattering experience. I wonder if the minister could qualify his statement.

Mr. Dinsdale: The Presbyterian church has, of course, been a pioneer in the field of education for many years, even for centuries, but as far as the Northwest Territories are concerned the only two denominations which have been active are the Anglican church and the Roman Catholic church. In the Yukon Territory, going back to the days of the gold rush, I imagine, representatives of the Baptist church have been active among the Indian population. We have two problems in this regard, responsibility for Indian education and responsibility for Eskimo education. I am referring to the Eskimo population. As far as I know there has been no direct participation by the Presbyterian church but I would, of course, agree, that indirectly through various voluntary groups which are now working in northern Canada—the Canadian-Eskimo-Indian committee for example which brings together representatives from the women's institutes and various other groups in Canada—there is a genuine interest being shown in all problems with respect to the human resources in our north.

Mr. Pickersgill: Perhaps I can throw a little light on this question. While what the minister has said is correct, referring to the Northwest Territories as "the north" is using the word "north" in a restricted sense. I was the superintendent general of Indian affairs for three years. I think many people regard northern Ontario and the northern part of the provinces as being the north, as well as the Northwest Territories, and in both those areas the Presbyterian church and the United

Church of Canada have been very active and they have a considerable number of schools there, as well as the Anglican church and the Catholic church.

Mr. Garland: Last year officials of the department visited the United Kingdom and western Europe in an attempt to assess the tourist potential there in the light of the growing economic strength of those countries. Would the minister now comment on the result of this examination and tell us what is being done to encourage tourist traffic from western Europe?

Mr. Dinsdale: Yes. I am glad the hon. member for Nipissing asked this question, because we are pleased with the results of that visit. It was a fact finding trip and I have had reports on the results.

The various Canadian transportation companies have been active in Europe for several years, now—the railways and T.C.A.—and it was found that they are doing an outstanding job in representing Canada. However, strong recommendations were made as a result of the trip that there should be some direct representation of the Canadian government travel bureau in the United Kingdom to serve that market as well as the European market generally.

This whole matter is under very active consideration. We are hoping that at the next tourist convention sponsored by the Canadian government tourist bureau the guest speaker will be one of the leading figures from the tourist industry in the United Kingdom. It is apparent that the best market for increased travel to Canada exists in the United Kingdom, West Germany, the Netherlands, France and Switzerland, to give some specific information which has been brought to my attention as a result of the visit. In all those countries the standard of living has risen remarkably. Foreign exchange restrictions have been lessened or eliminated, and the economies are buoyant. The best possibility for an immediate increase in tourist traffic to Canada is in the United Kingdom. All in all, we can conclude that the tour was successful. The information derived will provide the basis of constructive activity along these lines.

Mr. Garland: I have understood the minister correctly, the government, as a result of this trip or survey last year, has not taken any specific action.

Mr. Dinsdale: There is nothing before parliament at the present time but we are optimistic that we shall have something to present to the house next year.

Mr. Southam: I should like to associate myself with other hon. members, on behalf of my constituents, and myself, in congratulating the minister upon his appointment to his new office as the Minister of Northern Affairs and National Resources. The constituency of Moose Mountain is, of course, in close proximity to that of Brandon-Souris, and this is another reason for wishing the hon. gentleman well in his new post.

Before this item passes I should like to ask the minister a question, and my question is this. Last year I made a discourse in this chamber at some length on the circumstances as far as national parks are concerned. I pointed out that the great central province of Saskatchewan has only one national park whereas some of the neighbouring provinces such as Alberta, and British Columbia have four each. I also pointed out that while the national park of Waskesiu in the northern part of our province is a very fine one it is far distant from the main centres of population. I am wondering whether the department has given any consideration to the expansion of its national park program in the province from which I come.

I should like to direct the minister's attention to another question and it has to do with the possibility of designating Cannington manor as a historic site. This is a building of an unusual and distinctive type which was put up, I think, in the eighteenth century by English people who established there what might be called a piece of old England. It is equipped with stables, a race track and other adjuncts to elegant English country life; for instance, the sport of hunting was practised around the manor and continued for some time. I thought I should like to bring this matter to the attention of the minister and to ask whether his officials could not consider the possibility of establishing this building as a historic site.

Mr. Dinsdale: I am aware of both the issues referred to by my neighbour across the border in Saskatchewan, and I know of his continuing interest in these matters.

With reference to national parks, I can assure hon. members that the department is always happy to consider suggestions for the expansion of our national parks system. However, one of the basic problems in this regard is that any area to be considered as a national park must be made available by provincial authorities, free of encumbrances. This information is perhaps pertinent to some of the comments made by hon. members from the maritimes. Various suggestions are put forward from time to time regarding areas which might be suitable for national parks, but my department can take no action until the provincial government has first indicated it is willing to turn over the lands for national

park purposes. On that basis we are happy to hear representations at any time.

In regard to the Cannington manor, which is a replica of an old English estate in the heart of the prairies going back to the early days of settlement, again this would have to be cleared by the historic sites and monuments board, to determine whether it meets the necessary criteria enabling it to be established as a national historic site. If hon. members can persuade that board in this regard we will be agreeable to taking the necessary steps.

Mr. Caron: Mr. Chairman, a few moments ago the minister referred to an overseas delegation in regard to Canada's tourist industry. In this field we have received quite a number of publications originating with this department. I wonder whether the minister could tell me how many of these tourist industry pamphlets are printed in French only, how many in English only, and how many in both French and English?

Mr. Dinsdale: Mr. Chairman, I am informed that up to the present date the activities of the Canadian government travel bureau have been restricted almost to the United States market except for that delegation which was sent to Europe last year. Our operations have been carried out through the offices in New York and Chicago. This year, as the hon. member knows, we are going to open a tourist bureau on the west coast of the United States at San Francisco.

Because of this situation, the only demand for tourist publications is received from English speaking areas and pamphlets are designed entirely to serve that market. Of course, when we actively seek to attract European tourists, and if and when we establish a travel bureau in Europe, we will have to consider the problem of cultivating tourists from France and other parts of the continent by the use of multi-language pamphlets and programs.

Mr. Caron: Does the minister not think that in order to attract Belgians, French, Swiss and perhaps individuals from West Germany, it should be much more effective if our publications were printed in French? I can furnish the minister with a number of bilingual publications, and I suggest our own publications could be printed in both English and French without the loss of any advantage, and without an increase in volume of paper. Perhaps the pamphlets I have would be of assistance to the minister in his consideration regarding the printing of this type of publication in both languages.

Mr. Dinsdale: Mr. Chairman, as I have indicated, when we begin to work directly with a view to acquiring tourists from Europe we will be faced with the necessity of having bilingual publications, or perhaps trilingual publications. We will be then attempting to cultivate this market in Europe and will have to do so by using the different languages, but up until the present time our operation has been restricted exclusively to the United States market.

Mr. Caron: Does the minister intend to wait until he has an establishment in Europe before making these publications bilingual? I would suggest there is another consideration involved, and that is, if these publications were printed in French and English the people around the world would realize that Canada is in fact a bilingual country. These people might otherwise think, when they see our publications, that bilingualism in Canada exists only in text books and nowhere else.

Mr. Dinsdale: Mr. Chairman, this branch operates on a limited budget, and the main interest has been to stimulate the tourist industry in the United States. Many developments are taking place in regard to our tourist promotional program, and I would suggest that as we approach Canada's centennial we will have to considerably broaden the scope of our activity in order to ensure that the true nature of Canada is presented, and our bicultural and bilingual aspects will have to be conveyed to the potential touring public, particularly from Europe. I do not know whether there would be any particular advantage in presenting the bilingual aspect to the United States tourists, but that is something I shall have to consider further.

Mr. Caron: I would suggest that the advantage involved here would be that of presenting a true picture of Canada to these people from outside, so that they should know there are a number of French speaking Canadians in this country. Regarding the limited budget, to which the minister referred, I should suggest that one of the pamphlets I have in my office contains only one page of pictures and could have been printed in French as well as in English with the addition of one sheet, and the inclusion of French captions under the pictures appearing on that page, with very little cost because of the very small increase in the amount of paper and practically no increase in the amount of ink. This could have been done at no extra cost if someone had only thought about it.

(Translation):

Mr. Pigeon: I would like to put a supplementary question to the minister.

At the time Mr. Lesage was heading the Department of Northern Affairs and National Resources, were the Canadian government

travel bureau publications issued in both English and French, even when intended for the United States? To follow up the question put by the hon. member for Hull, was the literature issued at that time in the United States by the Canadian government travel bureau bilingual or unilingual?

(Text):

Mr. Dinsdale: Mr. Chairman, these publications have always been printed in one language.

(Translation):

Mr. Caron: The question just raised is a purely political one and can hardly improve the situation. I would therefore point out to the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) that even if mistakes were made in the past, that is no justification for future governments repeating the same mistakes. On the other hand, if the question raised by the hon. member was merely intended to compare past activities to present activities, he was wrong. We want improvements for the future, even if we have to get them through the present government.

Mr. Pigeon: I do not object to what the hon. member for Hull has just said. On the contrary, I favour his suggestion. I feel sure the minister and the officials of his department will consider the question and try to see that Canada be known throughout the world as a bi-ethnic country.

Mr. Caron: Then, how does Mr. Lesage come into the picture?

Mr. Pigeon: Mr. Lesage has been derelict in his duty.

Mr. Caron: I am prepared to admit that.

(Text):

The Chairman: Order. Shall vote 279 carry?

Item agreed to.

281. Contributions to the provinces, pursuant to agreements entered into with the approval of the governor in council, by Canada with the provinces, of amounts equal to one half of the amounts confirmed by the provinces as having been spent by them for campground and picnic area developments, $1,700,000.

(Translation):

Mr. Deschatelets: I understand that item 281 deals with contributions to the provinces on a 50 per cent basis for campground and picnic area developments.

Mr. Chairman, in the last elections, several of our Conservative friends from Quebec denounced all these joint programs as being interference with the autonomy of the provinces. Just recently, the leader of the opposition in Quebec also denounced those programs. So that our Conservative friends from Quebec may clearly indicate whether or not they agree with the policy of the Union Nationale, I see no better way than to call for a vote on the item when the hon. members have completed their remarks. I therefore ask that a vote be taken.

(Text):

Mr. Denis: I should like to ask the minister a question on this item of $1,700,000. If I understand aright, this has to do with a joint agreement between the dominion government and the provinces. I think the federal government pays one half of the amount of the contribution. Since the inception of this scheme, how much money has been spent by this government and what provinces have entered the joint agreement, including the province of Quebec?

Mr. Dinsdale: Mr. Chairman, this program has been operating since 1958. I believe the hon. member has asked for the total spent since that time. As illustrated in tabular form, up to the end of 1960 the totals were as follows:

Province	Amount
British Columbia	$ 1,028,468.11
Alberta	588,830.17
Saskatchewan	443,319.14
Manitoba	373,200.96
Ontario	2,074,849.57
New Brunswick	115,378.07
Nova Scotia	60,402.95
Prince Edward Island	2,120.00
Newfoundland	54,345.77

Mr. Denis: What about Quebec?

Mr. Dinsdale: Quebec did not enter the program until the current year. There has been an expenditure on the winter works program of $9,915. There has been no expenditure under the trans-Canada highway program.

Item agreed to: Yeas, 53; nays, nil.

282. Contributions to the provinces to assist in the development of roads leading to resources in accordance with agreements entered into by Canada and the provinces, $12,000,000.

Mr. Granger: Mr. Chairman, I should like, if I may, to ask the minister whether he would consider a road into Labrador. I have in mind the announcement which he made in the house on Wednesday, part of which said in effect that where there are two companies operating in the northland the federal government would build a road to that area and pay 100 per cent of the cost. I should like to call his attention to the fact that in Carol lake and lake Wabush, which is one area in Labrador, there are two big mining developments. I would be very happy indeed if the minister would tell us that he is going to build a road from, say, the north shore

of the St. Lawrence into that area, or from Goose Bay into that area, which would make me happier still.

Mr. Dinsdale: Mr. Chairman, the roads to resources program applies, of course, only to the provinces. The announcement I made the other day concerned our access road program in the territories where the federal government has exclusive responsibility. Under the roads to resources program we accept recommendations from the provincial governments and these recommendations are processed for the necessary criteria pertaining to roads to resources. We are happy to entertain any recommendation by the provincial governments.

Mr. Denis: Mr. Chairman, at the end of the discussion of this item I should like you to call the yeas and nays because this important item relates to a large amount of money, namely $12 million.

I should like to know first from the minister how much money has been spent by the government under this kind of subvention to the provinces? I should like to have a breakdown of the amount by provinces up to the present time.

The minister knows that since the inception of this agreement the province of Quebec has always refused to enter into an agreement with the federal government because the premier of the province held that it was an encroachment on provincial autonomy. I know that all the Conservative members from Quebec and even the Conservative ministers from that province campaigned in the provincial elections on behalf of Maurice Duplessis who always objected to these agreements. I should like to know how they could tell the people of Quebec that this was an encroachment on the autonomy of that province and then come into this house and say they were in favour of this encroachment on the autonomy of the province of Quebec. If they do not want this item to pass because it is an encroachment on the autonomy of Quebec, I wonder why they would vote for it? If they do not approve of the previous governments of the province of Quebec they should say so.

Every time we come to items of this kind we never hear from these Conservative members from the province of Quebec. They are very brave when they are talking to a Conservative meeting in the province of Quebec. I even heard the hon. member for Chapleau say over the radio that under this administration millions of dollars had been given through him for the development of access roads. Nevertheless, when a meeting is held by Mr. Talbot of the Union Nationale the hon. member is beside Mr. Talbot and denouncing agreements of this kind. I should like to know whether their stand is "Yes" here and "No" in Quebec or vice versa. On what side of the fence do they stand? At the end of the discussion of this item I should like the yeas and nays to be called. I would ask the minister to give us the amounts of money by provinces spent under this program.

Mr. Martel: Mr. Chairman, I should like to say a few words because the hon. member for St. Denis mentioned the fact that in a radio broadcast recently I said that large amounts of money had been spent and most of it, I am glad to say, in the north in the riding of Chapleau on the roads to resources program which is under discussion now. He implied that members of the Conservative party campaigned for the provincial party in the last election. I wish to say that we are discussing federal matters here. As far as I am concerned, I have said that these amounts are being spent and there is no question in my mind that they will help in the development of the north country. I do not think we should mix provincial matters with federal matters and I will be glad to vote in favour of this item.

(Translation):

Mr. Denis: Mr. Chairman, with reference to the remarks of the hon. member for Chapleau (Mr. Martel), I must say that the province of Quebec must necessarily be included in this discussion, since the expenditures involved in this item could not be made unless the province of Quebec agrees to share half the cost. A matter of principle is involved. Therefore, if you say that this constitutes an infringement upon autonomy and if, at your meetings in the province of Quebec, you denounce this item, I wonder why you vote in favour of it in this house. Either you change your mind, or—

Mr. Martel: We are not here to discuss provincial politics.

Mr. Denis: There is not one law for one's friends and another for one's foes.

I am unable to understand, Mr. Chairman, how these people can boast to their constituents that they are the protectors of autonomy.

(Text):

The Acting Chairman (Mr. Chown): Order. If the hon. member for Chapleau had presented his case in the form of a point of order I would be inclined to agree that the debate on this item has strayed from the point which is the subject of inquiry from the minister and I would have to ask the hon. member for St. Denis to restrict his references to another arena which has no jurisdiction as far as this expenditure is concerned.

Mr. Denis: May I have the breakdown I requested?

Mr. Dinsdale: Yes. Would the hon. member be satisfied with round figures?

Mr. Denis: Yes.

Mr. Dinsdale: These figures are up until the end of 1960: British Columbia, $2,200,000; Alberta, $2,300,000; Saskatchewan, $2,600,000; Manitoba, $1,700,000; Ontario, $1,300,000; Quebec, nil; New Brunswick, $1,200,000; Nova Scotia, almost $3 million; Prince Edward Island, $1,700,000, and Newfoundland almost $516,000.

(Translation):

Mr. Denis: Mr. Chairman, I find that the Quebec Tories cost the province a lot of money.

Mr. Ricard: That might be a lesson for Mr. Lesage, who was against those subsidies but finally accepted them.

(Text):

Mr. Denis: May I say we were never opposed to these agreements. Premier Lesage hoped for the disappearance of these joint agreements little by little but would not refuse our share while they existed.

(Translation):

We shall accept all that the federal government gives the provinces. We shall have our share in the amounts of money distributed throughout the country. The hon. member for St. Hyacinthe-Bagot (Mr. Ricard) has paid his taxes; well he is entitled to his share of the amounts being spent under this item. Surely, he did not fail to notice the millions that were spent to the benefit of other provinces while the province of Quebec lagged behind during the time when the Union Nationale ruled the destinies of the province.

Mr. Martel: Your attitude shows you to favour centralization of power.

Mr. Denis: Just vote against this item if it is contrary to your principles.

(Text):

Mr. Robichaud: Could the minister give the committee a list of the projects approved under this program in the current year for the province of New Brunswick?

Mr. Dinsdale: It is quite a long list, and I am happy to give it to the hon. member. The roads are as follows: the Juniper-Napadogan road, the Plaster Rock-Renous road, the Doaktown-Chipman road, the Blue River road, the Maces Bay road, the Saint John-Mispec road, the north central New Brunswick resources roads, the Boiestown or Doaktown to Plaster Rock road, the Kingston peninsula loop, the Bayfield-Mates Corner road, the Grand Lake road, the Salmon river bridge, the cape Bald loop, the Shediac bay loop, the Buctouche bay loop, the Richibucto loop and the St. Croix river road. These are the projects that have been approved.

Mr. Robichaud: Has the minister received a request covering a road to Miscou island, including a bridge linking Shippigan island and Miscou, and what action has been taken on this project?

Mr. Dinsdale: I understand there have been requests for two additional road projects including the one mentioned by the hon. member, the other being a mining development road into the Heath Steel Company development. These two are under consideration at the moment.

Mr. Pickersgill: Could I ask the minister whether he was right in giving the figure for Nova Scotia which seemed almost astronomical compared with the other provinces? I think all the other provinces were under $2 million and Nova Scotia was over $3 million. I just wondered whether the figure he gave was correct and, if so, where these roads are.

Mr. Dinsdale: I now have a more up-to-date report. The first report was to the end of December, 1960, and the one I have in my hands now is to the end of January, 1961. The figure given for Nova Scotia is $3,032,000.

Mr. Pickersgill: That is higher than any other province.

Mr. Dinsdale: No, Alberta is higher with $3,200,000. Those are the two highest provinces.

Mr. Pickersgill: But it is higher than Saskatchewan, Manitoba, Ontario or British Columbia?

Mr. Dinsdale: Yes, but so there will be no misunderstanding I should point out that every province is in identically the same position. Our total contribution is $7½ million to be matched by a similar contribution from the province. The figure merely indicates that Nova Scotia has been more active.

Mr. Pickersgill: I wonder whether the minister can tell me about a road in which I am particularly interested, that from Gypsumville to Grand Rapids? Has that road been finished and is it intended to continue it farther north to Thompson?

Mr. Dinsdale: I believe the hon. member is referring to Manitoba again and discussing the Manitoba roads to resources program.

Mr. Pickersgill: That is the item under discussion.

Mr. Dinsdale: The road from Gypsumville, I understand, was officially opened at Christmas. I understand that it represents the longest piece of road developed in the shortest space of time in Canadian history. It is now

proceeding to Thompson and when it gets to Thompson we will be only 200 miles from the port of Churchill.

Mr. Peters: I believe in the original agreement with the province of Ontario in connection with the roads to resources program there were eight projects listed at a total cost of $8,360,000. Would the minister tell us how many of those roads have been completed under this program and the cost?

Mr. Dinsdale: Yes, Mr. Chairman, I have that information. The Savant lake south road: there has been no activity on this road to date. The Foyelet to Chapleau road: 23 miles have been cleared. The Minaki south road: 15 miles have been cleared out of a total of 15 miles. The Nakina northerly road, a total distance of 50 miles: I have not got the report of the work completed, but there has been a total of $429,268 paid out on that project. Goldpines to Uchi lake; there has been no activity on that project. Port Arthur north, a total distance of 70 miles: 28 miles have been cleared.

Mr. Peters: What has happened in connection with the Campbell mine to Red lake road and No. 8 northern service? This was a very short road of about two miles.

Mr. Dinsdale: According to my records here, Mr. Chairman, the Campbell to Red lake road is not part of the roads to resources agreement. I believe the hon. member is referring to the road that was discussed by the hon. member for Port Arthur last night. This road is described in the agreement between the federal government and the government of Ontario, the form of road to be agreed upon after completion of photographic and magnetometer surveys. In addition, some geological reconnaissance will be carried out. I am happy to inform the hon. member that the major portion of the preliminary work has been completed. All the aeromagnetic work is completed and maps have been published. About 60 per cent of the ground geological work has been completed, and the balance will be done this year. It is expected that a detailed road location can commence later during the current year, and it is hoped the actual construction will commence in 1962.

Mr. Peters: Thank you, Mr. Chairman. Can the minister tell us if there are any negotiations currently under way to extend other roads in other areas not included in the roads to resources program? In other words, are there negotiations taking place between the provincial and federal governments to extend these roads into other areas beyond those initially projected in the province of Ontario? I am thinking, for instance, of a road from Gowganda to either the Chapleau or Sudbury area. Another road that has been mentioned on a number of occasions is a road north from Cochrane to Moosonee and also one north from Kapuskasing to serve the area north of Kapuskasing.

[Mr. Dinsdale.]

Mr. Dinsdale: Mr. Chairman, the roads I have outlined are the complete projects under the present agreement. There are no further negotiations taking place at the present time.

Mr. Habel: I wish to follow the hon. member for Timiskaming because he referred to certain roads in my riding. I do not believe the population of Cochrane are so anxious to know about new roads from Timmins to Kapuskasing or Kapuskasing to Moosonee. They are anxious to learn about a road that would connect the northwestern part of Quebec with the northeastern part of Ontario. I wonder if the minister could tell me if there are any suggestions from the provincial governments concerning the possibility of opening up that area, 52 miles in length, between northwestern Quebec and La Reine and Cochrane. This would be the road in which the population of that district would be interested. They want this road as a tourist road, as a road to resources and also as a necessary road in case of attack on this country.

After all, the northern part of the province is quite a distance from Toronto and some 300 miles north of North Bay. The only real outlet we would have in case of attack would be to the west to Port Arthur and Fort William or east into Quebec province. This road would be a most important one to the population of my riding, and the one in which they would be most interested.

Mr. Dinsdale: I can inform the hon. member that we have received no representations concerning this road.

Mr. Herridge: I am very interested in this item because I am interested in these roads to resources. I might say that I have been interested in some hot springs for 50 years, the Nakusp hot springs which are nine miles northeast of Nakusp. I have been a commissioner of the park committee that has been formed since 1925, but we have no road to these hot springs. They are equal to radium springs. About 70,000 gallons of water come out of the ground every 24 hours at a temperature of about 134. We have two others very similar within a distance of 40 miles. There are magnificent opportunities for bathing and the establishment of a resort. Over 35 miles of the finest brook trout fishing in Canada, as well as magnificent scenery, can be found there.

For years, the people have either walked or rode a horse over the nine mile trail to these springs. Prior to the second world war there would be anywhere from 600 to 800 people visiting these springs annually, enjoying the baths, the fishing and the scenery. People seem to have gotten out of the habit of riding and walking since the second world war, so the numbers that come now are very reduced. We have been very interested in getting a road built over the nine miles required to service these magnificent hot springs.

I want to ask the minister three questions. I have tried to explain briefly the type of natural resource this is. Does the government contribute to the construction of roads to this type of natural resource if a province makes application? Has the government of British Columbia made application for assistance in building a road to these hot springs? Can the minister go through the list of projects that have been undertaken in British Columbia?

Mr. Dinsdale: In response to the first question may I say this. The federal government accepts recommendations from the provincial government for resource roads. The answer to the second question is this. The provincial government made no representations concerning the road referred to. As a matter of fact, I think the only road project in the province of British Columbia in the roads to resources program is the Stewart-Cassiar road. They have put the whole amount of money available into one project.

Mr. Herridge: I want to thank the minister for that information. It will brew a good storm in the Kootenays.

Mr. Martel: I wish to add a few words to those of the hon. member for Cochrane with regard to the road suggested for northern Ontario to connect northeastern Ontario with northwestern Quebec. Some work has been done in that respect by—and the hon. member may correct me if I am wrong—the northern Ontario development association. There have been meetings with the Abitibi chamber of commerce and also the chamber of commerce of La Sarre. Our people in Quebec are also greatly interested in that road. I believe as well that some work has been done for that purpose, namely to build that road. Of course the suggestion will have to come from the Ontario government because on the Quebec side the road goes to the border. It all depends on what road will be chosen. However, it will be only a matter of few miles, possibly five miles at the most, depending on where this road will go.

I think it would be well for the minister if he would inquire whether his department has received representations from the northern Ontario development association in that respect with regard to this project about which we have been talking in our district for over 30 years, I would say. I think it is a worth-while project that would come under the roads to resources program of northeastern Ontario. Of course it all depends on the Ontario government.

Mr. Dinsdale: I have had no direct representations and my officials tell me neither have they. As the hon. member suggests, the initial approach should be made to the provincial authorities.

The Acting Chairman: Is the committee ready for the division on vote 282?

Mr. Peters: Before the division is taken, may I ask the minister what has been the final arrangement made by his department with the Minister of Mines and Technical Surveys in relation to the magnetometer survey that was carried out in the case to which reference was made? I have not the final correspondence; it goes only up to a certain date. At that time negotiations were being undertaken with the Minister of Mines and Technical Surveys, I believe, to conduct an air survey under this department. Was that how it was conducted?

Mr. Dinsdale: Yes. This survey is done by the Department of Mines and Technical Surveys on our behalf.

The Acting Chairman: Is the committee ready for the division?

Some hon. Members: Question.

Item agreed to: Yeas, 56; nays, nil.

National parks branch—

283. Branch administration, $268,584.

The Acting Chairman (Mr. Chown): Shall vote 283 carry?

Some hon. Members: Five o'clock.

The Acting Chairman: Shall vote 283 carry?

Mr. Pickersgill: No, Mr. Chairman; I think perhaps we ought to call it five o'clock.

An hon. Member: No; there are still two or three minutes.

Mr. Pickersgill: All right. I have plenty of material. Perhaps the minister would like to take time first, if this is the appropriate item under which to do it, to complete his answer about Fort Rodd, if he is ready to answer on that subject. If not, I could go on. Perhaps it would be useful for the minister to have this knowledge so that, when we come back to the estimates, he may be prepared. When he comes back to the estimates I should like the minister to tell us

for what reason a man named Doucette of Rustico, Prince Edward Island, was laid off from the national park there, who was taken on in his place, and any other attendant details he can give about this transaction which I believe is rather notorious in the community.

I also have a question here about another matter. It is really a supplementary question to one which was asked the other day by the hon. member for Northumberland-Miramichi who is unable to be here this afternoon and who wanted me to raise the matter further. The minister will recall that it was question No. 228 which he answered on March 29, with respect to the laying off of a crew and its replacement by another crew of persons in Cape Breton Highlands national park. The minister stated that an interim reply to some inquiries he had made had been sent on March 18 and that he had asked for further information on the matter in order to determine that the rotational policy had been equitably followed. If the minister, when we come together again, could give us that further information it would be helpful.

Some hon. Members: Five o'clock.

The Acting Chairman (Mr. Chown): It being five o'clock and in order to permit the house to proceed to the consideration of public and private bills, pursuant to section 3 of standing order 15, it is my duty to rise, report progress and ask leave to sit again later this day, or at the next sitting of the house, as the case may be.

Resolutions adopted in committee of supply this day, reported and concurred in.

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of public and private bills the former having precedence, pursuant to section 3 of standing order 15 as provisionally amended.

INDIAN ACT

AMENDMENT RESPECTING COMPULSORY ENFRANCHISEMENT

On the order:

Second reading of Bill C-24, an act to amend the Indian Act (Section 112 repealed).—Mr. Howard.

Mr. Howard: I wonder whether this order might stand.

Mr. Pickersgill: I should like to raise a point of order with respect to this bill which has been on the order paper since November 21, 1960. If these bills are allowed to stand on the order paper they interfere with the possibility of other hon. members proceeding with their bills. It seems to me the hon. gentleman should either proceed or allow the bill to go to the bottom of the list, if indeed it would be possible, in view of the action already taken by this house this session, for the hon. member to proceed with this particular bill.

Mr. Speaker: Under the rules the hon. member has the option of proceeding or having the bill dropped unless it is requested by the government that the bill stand.

Mr. Broome: On the point of order raised by the hon. member for Bonavista-Twillingate the intent of this bill has, I believe, already been dealt with by the house. I think it should be withdrawn.

Mr. Howard: I have requested that it be allowed to stand, but if that is not the desire of the government—and I should like to know that first—

Mr. Speaker: I have heard no request from the government that it should stand.

Mr. Howard: On the point of order which has been raised—and I am speaking now about our procedure, not about the bill itself—may I suggest that the observations made were based on a statement made by the Minister of National Revenue on April 21. I believe he was then acting leader of the house. The hon. gentleman dealt with this question on that occasion and at page 3908 of *Hansard* he is reported as saying:

> I admit there may be an occasion—such as that when an hon. member is sick, is unavoidably prevented from coming to this House of Commons, is away in his own constituency or is on other business—when some consideration might be given to that particular case.

Well, I am sick, Mr. Speaker. I am sick of this government trying to interfere in the affiairs of private members.

Mr. Speaker: The hon. member for Skeena is taking advantage of the Chair by raising that as a point of order. The rule requires the hon. member either to proceed or to drop this bill.

Mr. Howard: Well, in that case, with consent, I should like to move that order No. 1 be discharged and the bill withdrawn.

Mr. Speaker: Does the house give the hon. member leave to withdraw his bill?

Some hon. Members: Agreed.

Order discharged and bill withdrawn.

CANADA FAIR EMPLOYMENT PRACTICES ACT

AMENDMENT TO PROHIBIT DISCRIMINATION BECAUSE OF AGE

Mr. Frank Howard (Skeena) moved the second reading of Bill No. C-25, to amend the Canada Fair Employment Practices Act (age discrimination).

He said: My remarks in connection with this particular bill will be brief. The Fair Employment Practices Act has been on the statute books for some years. It prohibits discrimination with regard to the employment of employees, among other things in so far as membership in trade unions is concerned. The act provides that discrimination shall not be practised on the basis of race, national origin, colour or religion.

What this bill seems to do is to add the further provision that discrimination shall not be practised because of the age of the prospective employee or of the employee unless age is considered to be a bona fide occupational factor. The bill seeks to deal at the present time with the question of membership in unions and the proposed amendment would merely add another provision in respect to age unless, as I say, that is a bona fide occupational factor. There are, in addition, those other matters such as race, national origin, colour and religion with which the act is already concerned.

I think we are all aware that discrimination has existed and exists right now among employers with regard to the age of individuals employed. We have all heard cases where a person of 40 years of age, or 45 or 50—the age varies with the industry and the circumstances—has been unable to gain employment because he is considered to be too old. In some instances the reason is given that an older person becomes less efficient and tends to slow down on the job. Another reason given, and I think it is the most prevalent, arises from the growth of pension plans in industry. A number of industries find that it is difficult to fit an older worker into a pension plan because by the time he reaches the normal retirement age in that industry he will not have put in enough service to qualify for a pension, or, in other words, the contributions to the pension fund made by himself, or on his behalf by the employer, or jointly, would not be sufficient to qualify him for a pension, or at any rate for an adequate pension.

We have advocated, of course, on other occasions and in other circumstances that a portable pension system should be instituted so as to allow a worker to take his pension plan with him when he moves from one job to another, thus enabling him to work in a number of different industries over a period of years. But that is another subject and I think it would not be proper except in a general way to debate that during the discussion of this particular bill.

Unfortunately these pension barriers, along with other factors, deprive people of the right to gainful employment, for no real valid, sensible or sound reason. This bill seeks to overcome that particular situation. There are a number of other places in the world where such anti-discrimination laws exist but I do not think it is necessary for me to list the states which have this legislation on their statute books or to recount the experiences they have had in those places. Nevertheless, the material is on the files and the experience of anti-discrimination legislation may be consulted.

In support of my statement that discrimination does exist and of my contention that changes should be made I should like to qoute from the remarks of the Minister of Labour (Mr. Starr) as contained in a booklet published in 1960 by the Queen's printer entitled "Speaking Out about the Older Worker Problem". This is a publication containing some 26 pages. It deals extensively with the problem of the older workers from a variety of viewpoints. Within its pages, as I said, is a statement by the Minister of Labour, who has this to say as reported on pages 7 and 8 of the booklet:

> Justice, and freedom of opportunity to every individual, as spelled out by the United Nations, was adopted by 58 countries, including Canada, in the universal declaration of human rights, in December 1948. Is it justice and freedom of opportunity to raise obstacles to employment against any segment of society, for any reason, including age? Should not all individuals have an equal right to jobs which they are capable of doing whether they are 20 or 70 years of age?

The second paragraph I wish to read from page 8 is as follows:

> In the Department of Labour and the national employment service we contend that applicants for jobs should be hired on the basis of character, ability and qualifications needed for the particular job, and that age should not be a factor. It is because many persons in their forties or fifties are turned down for jobs simply because of age—even though fully qualified—that we have the social and economic problem of the older worker.

Mr. Speaker, these words of the Minister of Labour add weight, if that is necessary, to the reasons why this particular bill should be endorsed by all hon. members and placed on the statute books of our country.

Mr. McGee: Mr. Speaker, I wonder whether the hon. member will permit a question before he resumes his seat? I appreciate that during second reading of a bill is not the appropriate time to ask for clarification of a particular clause, but perhaps if I phrase my question carefully it will be in order. I wonder whether the hon. member could expand on the principles which give rise to clause 6?

Mr. Howard: Mr. Speaker, I will attempt to do so if I can avoid becoming involved in the technicalities. A union will occasionally select a name which embodies a reference to age, such as "old" or "young". Clause 6 prevents anyone from presuming that such

an inclusion in the name is an indication of a prejudice. This phraseology was adopted from similar types of legislation to prevent any possibility of such a thing happening.

Mr. McGee: Mr. Speaker, could the hon. member give us an example of the type of association he has in mind?

Mr. Howard: Mr. Speaker, I do not have any association in mind. These words were taken from the phraseology used in similar legislation in other jurisdictions. Apparently individuals had been faced with this peculiar situation and adopted this method of solving the problem, so as to prevent any implication of a restriction as to age. Perhaps as an illustration I could suggest that, if a group of employees working in a home for the aged called themselves the national union of employees for the home for the aged, there would be no possibility of discrimination because of the name itself under legislation based on this bill.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, so far as this bill serves to draw attention to the plight of the older workers it has a useful purpose. However, as in many circumstances where we are dealing with prejudice, it is very difficult to draft legislation to prevent it. I suggest that we must educate the general public as to the usefulness of older workers.

As has been mentioned on numerous occasions, there are many prejudices in Canada and elsewhere throughout the world relating to the usefulness of persons who have reached a certain age. I hope this discussion today will put forward a case for the older worker. The hon. member for Oxford (Mr. Nesbitt) on several occasions has presented this case for the older worker. He did so last year during a very forthright discussion regarding the whole problem.

There are two main problems facing the older worker. The first is an economic problem, and the second can be classed as a prejudicial problem. In many institutions employers hesitate to hire individuals who will shortly be entitled to retirement and drawing pensions, or other retirement allowances, for the obvious economic reasons. Second, even though an individual may offer to work without the benefit of a retirement plan, he would be in a very difficult position. Many older people on occasion will volunteer, because they realize that they will not be working for a very long period of time, to waive their pension rights. This proposal has never been acceptable because it would result in different treatment from different employers. This type of offer made by older workers, to get around the difficulty, has met with little success.

Regarding the problem of prejudice facing older people, I would suggest there is a feeling among employers, in regard to giving jobs to older people, that they are not as efficient as younger people. I would suggest this is not always true. We should first consider what the prejudices are that an older worker must face. I shall attempt to list several of them which I feel are among the foremost. The first, is that when workers grow older their ability to learn decreases and therefore it is more difficult to train them in newer industrial and technological techniques. Second, a man over 40 is presumed not to be as productive as he was at 20. Third, the frequency of illness increases with age and there is more absenteeism among older workers than among younger workers. Fourth, physical deterioration is synonomous with age and therefore older people are accident prone. Finally, age has a direct bearing on insurance rates, and the cost of pension plans increases with each new participant over 40 years of age.

Those prejudices I have outlined represent the beliefs of a considerable number of employers, although it is generally accepted that these are not true statements of the facts. These beliefs are not necessarily accurate in respect of individuals 40 years and older, but are myths regarding older workers.

Mr. Speaker, I received a mimeographed letter last year, as I imagine all hon. members did, from a Mr. George D. Glassford of 132 Central Park boulevard north, Oshawa, Ontario, dated March 7, 1960. This gentleman set forth his particular problem in this letter, and I should like to read two paragraphs. They are as follows:

> Business, big and small, American or Canadian controlled; governments, federal, provincial and municipal, are all tarred with the same brush.
>
> They'll deny it emphatically—show examples where the statement is wrong—but the pitifully few examples they can show have resulted from pressure—executive, customer, or political—in each individual case. Rarely is one ever turned down because of age, as such. That would never do. The reasons are many and varied and often far fetched. I should know. I've been getting them for 15 months.

This letter was written by a man who states that he is almost 60 and was born in Canada. He had service in the first war. He goes through a long list of jobs that he has held but he says his difficulty now is his age. His letter points up the problem but I do not think it points up the answer and I do not think it necessarily points to the bill that we are discussing.

This writer says that age is never given to him as the real reason for not employing him. He says he receives these other reasons which are varied, but employers never come up with the statement that it is really his age which

is causing the difficulty. In such a situation the provisions of Bill No. C-25 would not help very much, because it would still remain possible for an employer to use the same reasons that he is using now and never mention age. To this extent I am not sure that the bill would actually accomplish the purpose the hon. member has in mind.

When I was looking up my notes on this bill in anticipation of speaking I went through a file I have of people who write to me looking for employment. I am not going to quote those letters directly but I have extracted statements from them over a period of the last two years which illustrate this particular problem. One letter says, "Everywhere I go I am told I am too old". Then, in brackets he says, " I am 56 years old". Another letter says, "At my age, 52, positions are hard to obtain". Another letter contains this sentence, "I am 57 years old and have still got six children to support, some of which are still going to school. Now, at 57 years old, I find it very hard to get work". In another letter dated July of last year I find this sentence, "Now, what am I to do at 54 years old to find a job?" These are four extracts that I took from those letters. I do not receive a great many letters asking for employment, but from that number I managed to select four letters, the writers of which definitely stated their real problem was age and nothing else.

Mr. Howard: May I interrupt on a point of order. I understand that when referring to letters it is the practice to identify their source. I wonder whether the hon. member is going to do that?

Mr. Speaker: If the hon. member was to quote from a letter the point might be taken, but as I understood the reference it was to the letters and their contents in general terms.

Mr. Howard: I understood that the hon. member who has the floor was reading a letter; although I may be mistaken.

Mr. Aiken: In introducing these particular comments I said they were comments taken from correspondence and indicated the type of letter I had received. I did not purport to quote any particular person or letter but I did take the odd extract out of letters which referred particularly to the problem of age.

As I said in the beginning, the idea is good; the problem is real. I am hopeful that we can come to some conclusion on what can be done to assist older workers. A great many studies have been undertaken and all of them do agree that the problem is there and that the older worker is much more efficient and able to carry on a job than the general public believe. Thank you.

Mr. J. F. Browne (Vancouver-Kingsway): Mr. Speaker, in rising to take part in the debate on this bill I find myself in substantial agreement with what has just been said by the hon. member for Parry Sound-Muskoka. I was rather surprised at the introductory remarks of the mover of the bill, the hon. member for Skeena, but he did not deal with one of the aspects raised by the hon. member for Parry Sound-Muskoka, namely we all recognize that the subject matter of the bill presents a problem. The hon. member for Skeena did not deal at any length with how he felt this particular bill would overcome the problem.

Mr. Howard: I will do that when I close the debate.

Mr. Browne (Vancouver-Kingsway): I should think that would be the first consideration we should want to have before us. Before we undertook to enact any such measure we should want to be sure that it was going to have the desired effect. It seems a rather odd time to do it at the end of the debate when hon. members would not have the benefit of the views of the hon. member for Skeena on the subject.

It does seem to me that this bill not only would not overcome the problem with which we have to deal but in fact it perhaps might raise a lot of other problems. For instance, many firms have a pension plan which, as has been pointed out, is designed to provide a man with a retirement income on which he may retire at age 65. As I see it, under the terms of this bill, if a company had a pension plan of that nature and expected its employees to retire at age 65, then that would be discriminatory if the employee declined to resign at 65. He would perhaps feel within his rights to stay there until he was 85 or so long as he was able to work. That aspect of the matter would certainly have to be taken into consideration.

Then again, I think a firm would have many legitimate reasons for wanting a person of a certain age for a particular job. In the explanatory note of this bill I see that the mover has said:

> The chief purpose of this bill is to add age discrimination to the list of prohibited employment practices unless age is a bona fide occupational qualification.

I do not know exactly what the definition of a bona fide occupational qualification would be.

Then, the hon. member goes on to say:

> A secondary purpose is to prohibit the employer from including in an employment application form, advertisement or written or oral inquiry, a question or request for particulars as to the applicant's —race, national origin, colour, religion or age unless by reason of a bona fide occupational qualification.

It seems to me that a firm would have to take into consideration the average age of its staff. For instance, in the case of a small firm, it might have a small office staff of half a dozen employees, three or four of whom may be getting on toward retirement age. Of course, if that firm was looking to the future it certainly would not want to hire another person who was getting on toward retirement age; it would be looking for someone who would be with the firm for a number of years and would then have the training to carry on. It seems to me that in a case of that kind a firm would have a legitimate reason. Whether it would come within the terms of a bona fide occupational qualification, I do not know. It certainly would not be a good idea if that could be said to be a bona fide occupational qualification. An older person could very well do the job and therefore it could hardly be said to be a bona fide occupational qualification.

For that reason I believe that this particular amendment to prevent discrimination against older workers, with the principle of which I agree, would not in fact overcome the problem. I believe that the Minister of Labour (Mr. Starr) has already taken some very constructive action with regard to the matter. I know that about two years ago I received at my office in my firm in Vancouver a letter sent out by the Minister of Labour in which he drew the attention of many thousands of employers across the country to the problem. I have a copy here and I believe it had a very good effect on firms. As a result of this letter and other actions he has taken, such as setting up a small group under the civilian rehabilitation branch of the Department of Labour to deal with this specific subject, in my opinion he has done a great deal to help to alleviate the situation.

There have been reports that employers have paid attention to the requests of the Department of Labour to try to take some measures to overcome the problem. I notice it is reported that several employers have initiated special savings plans by payroll deduction for new employees who may be too old to enter a pension plan. That was one of the difficulties, and if that scheme could be expanded it would, of course, do a great deal to overcome the problem.

A number of publications have been issued by the Department of Labour and other branches of the government, and I think it might be a good idea to put some of them on the record so that people who are interested in the subject will be able to look at some of the information that has been collected. The following publications have been made available from 1957 to the present time: Pension Plans and the Employment of Older Workers, 1957, sponsored by the interdepartmental committee on older workers and published by the Department of Labour; Research on the Problem of the Employment of the Older Worker, 1958, by Professor S. D. Clark, University of Toronto, sponsored and published by the economics and research branch, Department of Labour; The Aging Worker in the Canadian Economy, 1959, published by the economics and research branch, Department of Labour; Age and Performance in Retail Trade, 1959, published by the economics and research branch, Department of Labour; The Employability of the Older Worker, 1959, by Professor S. D. Clark, University of Toronto, sponsored and published by the economics and research branch, Department of Labour.

There are others here but I think that is a pretty good list for anyone who is interested in the subject. As I said at the commencement of my remarks, Mr. Speaker, while I am certainly not unsympathetic to the stated purpose of the bill which is to prevent discrimination against older workers, I am in no way convinced that the bill will do anything in that regard at all. In fact, I feel very strongly that not only will it not end any problems but it will raise many new ones.

As was so very well pointed out by the hon. member for Parry Sound-Muskoka (Mr. Aiken), there are very few instances where a man is told that he is being rejected on account of his age, and it would be most difficult to prove discrimination in that regard. Therefore I think the approach that the Minister of Labour has taken and the very active educational campaign he has carried on are a much more satisfactory solution, and I believe that if all members get behind the minister's program and support him in his efforts to try to encourage employers throughout the country to employ older workers we will be doing a more constructive job than we would by passing this bill.

Mr. W. L. M. Creaghan (Westmorland): Mr. Speaker, it is my privilege to say a few words with respect to this private member's bill and in commencing my remarks I want to say that, like most hon. members, I am in agreement with the principle of the bill. However, I have reservations as to whether or not Bill No. C-25 would be effective in practice.

Hon. members well realize that in 1953 parliament passed the Canada Fair Employment Practices Act. Section 4 of that act sets out certain employment practices that are prohibited including discrimination on the ground of race, national origin, colour or religion. This bill attempts to add the word "age" to the prohibitions. I am wondering what would be the effect of adding "age"

to this section. Would it mean that certain employers, as stated by a previous speaker, would be obligated to continue employees in employment regardless of whether they had reached age 65 or the pensionable age? I suggest in any case that the bill before us would certainly need further amendment to remove that factor.

Another thing that concerns me is whether or not the words "occupational qualification" should be defined in the bill. Everyone has a general idea of the meaning but as the main act covers such a variety of occupations including working on railways, canals, aerodromes, air transportation, banking, broadcasting and practically every type of national employment it would require a huge list of regulations to set out the various occupational qualifications for each particular type of employment which would be affected by the main act. Consequently it would be most difficult, if not impossible, for the director to formulate regulations.

I think the only way to overcome the problem that Canada faces with reference to the plight of people in middle age who become unemployed is for the government and industry to conduct an educational program in a more strenuous manner. The last speaker mentioned certain publications issued by the Department of Labour. I hope the department will continue the distribution of this literature and will accelerate its efforts in that regard. I understand that the radio labour program, "Canada at Work", has mentioned this subject on many broadcasts and I commend the program for doing so. However, education of the people is not going to solve the problem. I suggest that more action on the part of the federal government might be welcomed at this time.

I might mention, for example, the Department of National Defence. All of us have constituents and friends in the permanent forces. Too many of them are compelled to retire on pension at ages when they are still capable of performing adequate service to the crown. I do not suggest that a man in the infantry who is on active training in peacetime can continue to give good service as an officer, non-commissioned officer or other rank beyond the age of 50 but surely it should be possible for the defence department to absorb some of these people in work where less strenuous exercise is involved and to keep them so employed.

At the present time large numbers of military people are retired daily, and a great many of them are entitled to veterans' preference because they stayed in the forces after the end of hostilities. Although national defence no longer employs them, under the Civil Service Act they are entitled to preference if they served overseas and the civil service commission has no choice but to offer them further employment in the government service. In many instances, civil servant applicants who are well qualified are displaced. I make this suggestion to the Minister of National Defence (Mr. Harkness) because I think it is very closely related to the problem of the older worker today.

Another step which perhaps might correct the situation better than this bill would be the introduction by industry, with government assistance and co-operation, of what are known as portable pensions. I am quite certain, Mr. Speaker, that portable pensions would play a part in solving the occupational problems of people who are unemployed at age 45 and over.

In conclusion, Mr. Speaker, I want to say that I am in agreement with the principle of this bill. However, I do not see how it would be possible to properly police the measure, and if laws cannot be enforced they should not be put on the statute books. To reiterate what I have just said, I feel that the government should take a close and serious look at the problems created by early retirement from the Department of National Defence. If necessary, perhaps the government should also give serious consideration to the plight of people over 40 who are unemployed because of the fact their jobs have disappeared as a result of automation. It might be possible to give some sort of statutory preference to these citizens who could be trained under the vocational training scheme to take up occupations which would lead to employment with the government.

I want to commend the hon. member for introducing this bill because it gives parliament an opportunity to discuss this serious problem, a problem for which every elected representative in all levels of government has a responsibility in order that this social injustice will be eliminated once and for all in Canada.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I, like the previous speakers, am in favour of the principle of the bill. I will try to point out what I feel to be the intent of the sponsor of this bill, and the fact that I believe he would have been better advised to introduce a separate bill instead of amending the Canada Fair Employment Practices Act. I am in agreement with the thoughts which have been expressed that the government might do more with regard to their own advertising for recruits for the civil service. If they were to put in big letters the information that no age qualifications are necessary for the job, that might help. If

ages are ever requested, candidates should only be asked whether they are over 18 and under 65.

I believe other speakers have pointed out that the Department of Labour and the present Minister of Labour (Mr. Starr) have conducted intensive campaigns to educate industry to the advantages of employing older workers. The hon. member for Parry Sound-Muskoka (Mr. Aiken) mentioned certain of the objections to employing older workers. It has been shown that these are really prejudices which have no foundation in fact. The older worker can be quite as productive as the younger worker because in our industry today we are machine operators rather than pick and shovel operators. There would be less rather than more absenteeism because the older workers are more dependable. In many cases, the older worker is the best bet for the employer.

In considering this proposal to amend the Canada Fair Employment Practices Act, our attention should be directed to the nature and purposes of the existing legislation which forbids refusal of employment to a person because of his race, national origin, colour or religion. In endorsing the democratic principle of equality of opportunity in employment, the law prevents denial of the essential oneness of the human family in respect of the right of the individual to seek and find work. The question arising from the proposed amendment is whether or not it should be added as an additional factor to these factors which, by law, are eliminated as obstacles to employment. This proposal is, therefore, timely because it reminds us that there is discrimination in regard to age. I feel, however, that an amendment to the Canada Fair Employment Practices Act does not accomplish our purpose of eliminating this particular discrimination.

It is relatively easy to determine whether there is discrimination with regard to race, national origin, colour or religion. It is not so easy, in fact it would be almost impossible under certain circumstances, to determine whether there is discrimination because of age. For example, if a man of 45 is hired, is another applicant of 46 being discriminated against? Age is a common factor; it is common to everyone. As this act now stands on the statute books, it prevents discrimination because of factors which can be readily determined. In the present act the basis of the legislative provisions relates to race, national origin, colour and religion. Equal employment opportunities for the members of minority racial or religious groups is quite a different consideration from safeguarding the employment opportunities of age groups.

[Mr. Broome (Vancouver South).]

If it is the intention of this amendment to protect the older worker, it fails in its purpose because there is nothing in it which restricts the protection to the older worker. As the proposal now stands, a young person could complain and dislodge an older person from employment, regardless of other practical or economic considerations. There is only one clause in this bill, and if this amendment were to carry it would add age to the other grounds upon which discrimination should not be practised. The clause, in part, would say that there shall be no discrimination because of race, national origin, colour, religion or age unless age is a bona fide occupational qualification. In my opinion, this weakens the principle of the bill as it now exists. Therefore I say that it would be much better if the hon. member for Skeena would not try to accomplish his purpose by amending this present statute and that he should rather bring in a bill which would cover discrimination with regard to age and which might bring in other points such as the portability of pensions or other factors which discriminate against the employment of older people. There is already in Canada and in many other countries of the world legislation which permits distinctions in work in relation to age particularly in connection with night work and underground work which is prohibited for minors. It would appear that there is discrimination on the basis of age, and age being the general and universal factor it is, one must secure a method other than that which is proposed in order to eliminate this discrimination.

There is in Canada, as well as in some other countries, an active program through such agencies as the national employment service encouraging employers to employ the older worker. Education and encouragement would appear to be by far the better way of dealing with the problem rather than through legislation unless that legislation can be so worded as to make it clear cut and not subject to wrong interpretation.

It might be interesting, Mr. Speaker, to look at the experience of other countries and even other provinces of Canada with regard to legislation dealing with discrimination. The I.L.O. committee on discrimination in the field of employment and occupation in 1957 considered this question of discrimination because of age. A vote on the inclusion of age as a basis was rejected by a vote of 109 to 206 with 67 abstentions. In Canada, none of those provinces with fair employment practices legislation includes age as a basis for discrimination. To the knowledge of the Department of Labour, no country in the world has

positive legislation at the national level which makes age a basis for discrimination in fair employment practices legislation.

I understand that in the United States there are some 10 states which have on their statute books legislation relating to the employment of older workers. In six of these states such a provision is included in the state's fair employment practices act. Here is an interesting point. How do these states define age? Massachusetts defines age as from 45 to 65; Pennsylvania defines age as between 40 and 62; the Connecticut and Wisconsin acts refer to persons 40 and 65 and the Oregon act to those between 25 and 65. Rhode Island's prohibition is in a separate act which defines age to mean between 45 and 65.

From the references I have given I think it will be clear to all hon. members and, I hope, to the sponsor of the bill, that discrimination with regard to age is something that is almost impossible to define by statute. It is like trying to bring in legislation to outlaw evil. That is not to say that we should not try to do something about this matter. However, I believe the methods now being used—I refer to the method of education; the method of persuasion now being used by the Department of Labour; the letters from the minister mentioned by the hon. member for Vancouver-Kingsway—will have gradually better and more beneficial results.

I think it is rather difficult for members of parliament, so many of whom are professional people whose highest earnings may start at age 60, to understand the plight of the worker who, through the closure of a plant or through technological changes, is thrown out of a job after the age of 45. These men in many cases are not even given the benefit of an interview. They are rejected on the basis of age. This is not right. It is not even good management on the part of the managers of industrial enterprises to take this stand. Therefore, as I say, the idea of this bill is good, but it should be in the form of a separate bill. Therefore, although I am not talking out this bill, I now move the adjournment of this debate.

Some hon. Members: Six o'clock.

BUSINESS OF THE HOUSE

Mr. McCleave: Will the house leader inform the house of the business for tomorrow?

Mr. Churchill: I should like to make a motion. I move, seconded by the Minister of Mines and Technical Surveys (Mr. Comtois):

Business of the House

That on Saturday, May 6, 1961, and every Saturday thereafter until the end of the session the order of business and procedure shall be as for Thursday, a government day.

Mr. Howard: You would even steal that extra hour away.

Mr. Speaker: Has the house leader leave to revert to motions?

Mr. Chevrier: Mr. Speaker, in our opinion he has neither leave to revert to motions nor leave to make the motion which he is now making and, if I am allowed to do so, I will give the reasons why. We attempted to submit to the government, when this matter was under consideration at an earlier date, a program which we thought was a reasonable one. But we were forced by the government to sit on Saturdays. Now, without the consent of the house, the house leader is making this motion. Under no consideration will the opposition consent to that motion being made now.

Mr. Churchill: There was no forcing on the part of the government. The suggestion with regard to sitting on Saturday was agreed to by the house. Lack of agreement to this motion does not prevent the sitting of the house on Saturday in accordance with the motion passed by the house and recorded in *Votes and Proceedings* for Monday, April 24, at page 468.

Mr. Chevrier: The house rules are quite clear to the effect that the house cannot sit on Saturday unless there is a motion similar to the one which the house leader has made. I, on behalf of the opposition, am not consenting to that motion not only because of what I have said but also because of the statement put on the record by the Prime Minister at page 3928 of *Hansard*.

Mr. Speaker: Order. The house leader has submitted a motion which, in my view, could not be made at this stage in our proceedings and perhaps could not be made in any event without notice or unanimous consent of the house. In order to found a motion at this stage, I think unanimous consent to revert to motions would be the first step. Without that consent, which I take it is not available, I am sorry to say that I cannot entertain the motion. Unless there is some discussion of the business for tomorrow I shall announce the adjournment of the house.

It being three minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

Questions

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of debates pursuant to standing order 39:

TRAVELLING EXPENSES, THE MINISTRY

Question No. 207—**Mr. Regier:**

What were the travelling expenses paid for by the government in the fiscal year ended March 31, 1960, for each of the ministers of the federal cabinet?

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

Minister of	Amount
Agriculture	$3,302
Citizenship and Immigration	3,747
Defence Production	531
External Affairs, Secretary of State for	1,475
Finance	3,300
Fisheries	1,891
Justice	2,574
Solicitor General	1,624
Labour	1,707
Mines and Technical Surveys	4,488
National Defence	2,140 2,068
National Health and Welfare	3,323
National Revenue	2,400
Northern Affairs and National Resources	2,281
Postmaster General	1,100
Public Works	169 2,267
Secretary of State	1,811
Trade and Commerce	6,997
Transport	1,169
Veterans Affairs	2,135
Without portfolio—	
Hon. W. J. Browne	436
Hon. J. M. Macdonnell	352

HOUSE CONSTRUCTION, JACKPINE RIDGE, MAN.

Question No. 209—**Mr. Pickersgill:**

1. Does the government intend to build houses at the radar station on Jackpine Ridge between Fairford and St. Martin, Manitoba?

2. If so, how many houses will be built, and have tenders been called for their construction?

3. If tenders have been called, have any contracts been let, and, if so, to whom?

4. On what date is construction expected to start on this project?

5. Are any commercial buildings to be built at this site?

6. If so, have tenders been called, and for what buildings?

Answer by: **Hon. D. S. Harkness (Minister of National Defence):**

1. Yes.

2. It is planned to construct 90 transportable type housing units for this site but tenders have not yet been called for the construction of these units.

3. Answered by 2.

4. It is expected that tenders will be called by Defence Construction Limited for the construction of these houses in the fall of 1961. However, tenders have already been called for the installation of the foundations and services for these units. The closing date of this tender call is May 19, 1961.

5. No.

6. Not applicable.

[The following items were passed in committee of supply]:

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

279. Departmental administration including Canada's share of the expenses of the "resources for tomorrow" conference, $1,105,390.

280. Northern co-ordination and research including a grant of $10,000 to the Arctic institute of North America, and an amount of $5,000 for grants in aid of northern research subject to approval by the treasury board, $141,450.

281. Contributions to the provinces, pursuant to agreements entered into with the approval of the governor in council, by Canada with the provinces, of amounts equal to one half of the amounts confirmed by the provinces as having been spent by them for campground and picnic area developments, $1,700,000.

282. Contributions to the provinces to assist in the development of roads leading to resources in accordance with agreements entered into by Canada and the provinces, $12,000,000.

HOUSE OF COMMONS

Saturday, May 6, 1961

The house met at 11 a.m.

BUSINESS OF THE HOUSE

ORDER OF BUSINESS FOR TODAY'S SITTING

Mr. Frank Howard (Skeena): Mr. Speaker, I rise on a question of privilege which relates to today's order paper. The order paper contains nothing definite beyond routine proceedings. Because of the failure of the government to have any sense of responsibility as to what it was doing in this regard I think we should have an order—

Mr. Speaker: Order. I think the matter is one for the house to consider but not as a question of privilege.

Mr. Howard: Then, Mr. Speaker, based on a question—

Mr. Speaker: Order. It will have to be considered in its proper time and place.

On the order: Motions.

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, with the leave of the house I should like at this stage to suggest that we determine now the order of business for this day.

The situation is as follows. On April 24 the house determined to sit on Saturdays. According to the custom and practice of the house it is normal, either at the time Saturday is selected as an extra sitting day or subsequently, to present a motion setting forth the routine of business for that day. I suggested at six o'clock last night that the order of business and procedure be as for Thursday, a government day, which would have permitted the officials of the house to draw up the order paper with the proper order of business on it. I was under the impression that as the motion was merely a routine one it did not require 48 hours notice, and due to oversight such notice was not given.

When I sought to present the motion yesterday the house was not agreeable to reverting to motions or to accepting the motion I placed before it. However, in view of the fact that the house has determined to sit on Saturday and is now sitting on Saturday, perhaps we could determine by agreement that this shall be a government day with the business and procedure being the same as for Thursday. If the house is agreeable and will give consent I will make the motion now that I put forward last evening, but I should like to be sure that consent is available.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, as hon. members have noticed, the orders of the day this morning are a complete blank. There is therefore nothing on the order paper and there are no orders of the day. I say without hesitation, as I said last night, that we will not give our consent to the motion which the leader of the house is now making. I gave some reasons last night. I do not intend to go into them now, but we did make a very reasonable proposal to the government when the whole matter of the house sitting in the morning and later at night was discussed on April 24. Although our proposal was a very generous one, it was not accepted. On the other hand, what did take place was that we were faced with the arrogant attitude of the Prime Minister—

Some hon. Members: Order.

Mr. Speaker: Order. If hon. members object I certainly will have to call the hon. member for Laurier to order. He has been given the floor to consent or not consent to a motion proposed by the house leader, and all he is entitled to say is that he does or does not consent.

Mr. Chevrier: I think I am entitled to give a further explanation.

Some hon. Members: Order.

Mr. Speaker: Order. Not at this time. The hon. member may have his opportunity to discuss what he wishes to discuss, but the house leader has asked for the consent of the house to make a motion and it is not a debatable matter. It is a question of giving consent or not. I take it that consent is not given; therefore we pass to the next order of business.

Mr. Chevrier: Mr. Speaker, you have allowed the leader of the house to make an explanation of the ridiculous position in which the government finds itself now because it did not give notice of the motion, and I think in fairness to the opposition I should be allowed to make a short, similar statement as to the position in which the government finds itself because it failed to observe the ordinary rules of the house by giving 48 hours' notice of the motion that the minister attempted to make last night and is making now.

Mr. Speaker: If the hon. member will recall the course of events, I have allowed him to make a longer statement than was made by the house leader. Objection is now taken, as it could have been taken at the time the house leader was speaking if any member had so desired. I think the hon. member has been allowed to make a comparable statement, and he should now observe the rules.

Mr. Chevrier: If I am not going to be allowed to proceed further I will abide by Your Honour's wishes, but I repeat that we will not go along with the suggestion of the house leader.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, we do not agree with the suggestion of the house leader and the motion he proposes to move respecting the business for today. We are willing to agree to proceed if the order of business is the same as on Friday. This would permit private members who have been nipped in the bud by the process of time to blossom forth on the various resolutions.

STANDING ORDERS

REQUEST FOR LEAVE TO MOVE CONCURRENCE IN TENTH REPORT OF STANDING COMMITTEE

Mr. N. L. Spencer (Essex West): I should like, on behalf of the hon. member for York-Humber, to move concurrence in the tenth report of the standing committee on standing orders.

Mr. Speaker: Has the hon. member for Essex West leave to move a motion in the name of the hon. member for York-Humber?

Mr. Pickersgill: I think the hon. lady should be here to move her own motion.

Mr. Speaker: In the absence of consent of the house I would not entertain a motion from the hon. member for Essex West. I refer, in support of that ruling, to citation 188 of Beauchesne's fourth edition and also to Bourinot's fourth edition, page 299, which make it clear that, except in very formal matters, the mover must be present. Another exception, of course, would be on government motions where one minister is allowed to move for another.

Mr. Spencer: May I say this, Mr. Speaker. While I agree with your ruling—

Mr. Pickersgill: On a point of order, Mr. Speaker, may I say that this matter has been disposed of by the decision of the Chair. Since the hon. member for Laurier was not allowed to proceed, there is no unanimous consent for the hon. gentleman to proceed, either.

An hon. Member: Let the Speaker determine.

[Mr. Chevrier.]

Mr. Pickersgill: He has.

Mr. Speaker: I am not sure as to what the hon. gentleman wishes to proceed with, but I shall bear in mind that there is no consent to proceed with anything.

Mr. Spencer: I am sure the hon. member for Bonavista-Twillingate would not deny me the right to bring to the attention of the house the nature of the report in respect of which I have asked leave to move concurrence.

Mr. Speaker: Since I have ruled that the hon. member is not entitled to move concurrence in the report, he is not entitled to speak to it.

WAR VETERANS ALLOWANCE ACT

AMENDMENTS TO INCREASE RATES OF ALLOWANCES AND INCOME CEILINGS, ETC.

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

That it is expedient to introduce a measure to amend the War Veterans Allowance Act, 1952, to increase the monthly rates of allowances and permissible income ceilings; to allow for further exemptions in property and income; to modify certain conditions of service eligibility; to allow for administrative and organizational changes within the board and to provide for certain further changes in connection with the administration of the act.

Motion agreed to.

BUSINESS OF THE HOUSE

ORDER OF BUSINESS FOR TODAY'S SITTING

On the orders of the day:

Mr. Speaker: We have reached orders of the day, and the rules of the house do not determine what the precedence is for the day. I am in the position of not being able to call an order without the direction of the house or resolving the problem which is now raised, since it is my duty to call an order of the day.

If I might indicate the situation, which I think hon. members probably appreciate, may I point out that standing order 15 settles the business of the house. Subsection 2 of standing order 15 settles the daily routine for every day, and we have passed through that procedure. Then it gives the orders of the day. They are settled from Monday to Friday by standing order 15, but no provision is made for Saturday. By order made on Monday, April 24, the house has decided to sit today and every Saturday until the end of the session without specifying the order of business. I refer to *Votes and Proceedings*

for Monday, April 24, page 467, where an order was made for the house to sit on Saturday from 11 a.m. to 1 p.m. and from 2.30 p.m. to 6 p.m.

On the order paper, without precedence being assigned to them, are the orders the house has appointed for consideration today and every day, namely government orders, public bills and orders, notices of motions for production of papers, private bills and starred questions. They are printed on the order paper and, as I say, have all been ordered by the house for consideration today or any day the house meets.

The problem that arises, of course, is what the precedence is among these orders. As the order paper indicates, I have not taken the responsibility of determining what precedence should be given to the orders, but have simply caused them to be printed in the order in which they appeared on Friday, the last sitting day.

I raise this matter as a point of order for disposition with the assistance of the house, and I suggest two approaches to the problem. First, as the house has ordered no business for today, and as it has ordered certain hours of sitting, I think the presumption is that the house intends to do some business. I think the question as to the precedence of the business should be resolved in a way which is permissible under the rules. In other words, I think the solution should be one in favour of carrying out the orders of the house in so far as they have been made.

The problem is that the order did not go quite far enough. There are two approaches to this question, and I suggest them for the consideration of the house. One is this. In the absence of any rule, our standing order No. 1 refers us to the procedure of the parliament of the United Kingdom, and hon. members may find some indication by that means. I have made some inquiry on my own initiative, and I refer the house to Campion's "Introduction to the Procedure of the House of Commons", page 132, which does not go very far but is as follows:

> On Monday, Tuesday, Wednesday and Thursday the house meets at half past two and adjourns normally at half past ten, or later. (S.O. No. 1). On Friday the corresponding hours are eleven a.m. and half past four p.m. (S.O.s No. 1 and 2). These hours were last fixed by amendments to standing orders made in 1947.
>
> The house seldom sits on Saturday and only in case of grave emergency on Sunday. Unless otherwise fixed, the hour for meeting on Saturday follows the rule for Friday. There is no prescribed hour for a Sunday sitting.

That does not deal with the business to be done other than by inference.

The other approach is that the house is the master of its own proceedings. In circumstances where direction is necessary, it has the power to deal with procedural problems that arise.

Having said that, I am not disposed to make any decision but to ask for consideration of the point of order which arises. Perhaps I should hear the pro and the con in the usual order, and I will first hear the house leader.

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, I was just on the point of putting a motion before the house, but if you wish first a discussion of the point of order I should like to say this. The house definitely decided that it would sit on this day, and decided it would do so for the purpose of conducting business—

Mr. McIlraith: No.

Mr. Carter: Oh, no.

Mr. Churchill: —otherwise it would be simply ridiculous for the house to assemble—

Mr. Pickersgill: That is precisely what it was, ridiculous.

Mr. Churchill: —without an order of business. I think the printing of the order paper could have been somewhat more skilfully done, if I may use that phrase, because the precedents in all the authorities—and they are abundant—with regard to parliamentary procedure indicate that the orders of the day mean the business and procedure of the house.

As you have already pointed out, Mr. Speaker, the business before the house consists of government orders, public bills and orders and various items such as that and, I would have thought, should normally have followed just after that established heading "Orders of the Day", which simply means the proceedings or the business that is before the house.

It is obvious that the house is here for a definite purpose. If hon. members would look at the discussion on April 24 they will see it was decided that Saturday be a day for parliament to sit for the express purpose, as was expressed during the course of that debate, to conclude the business of the house—by that we meant the legislation and the estimates—as quickly as reasonably possible, because I doubt whether any hon. member of the house wishes to sit through July and August. Consequently Saturday was added as a sitting day in addition to the extension of the sitting hours.

As you have pointed out, Mr. Speaker, we have simply to determine what business shall be taken up of the multitude of matters on the order paper. It is within the competence of the house to determine that. As a matter

of fact I would be inclined to go so far as to say it is within the competence of the Speaker to determine that, if authorities which I have been looking at are considered. However, perhaps there is not time to go into some of those problems here today.

It is quite obvious that the house, which is master of its own actions and procedure, can at this stage determine what business it shall go on with. I am in a position to make a motion to this effect.

Mr. Speaker: Perhaps the minister would permit me to interrupt in order that the matter under discussion may be determined. As the minister has indicated that he proposes to initiate a motion, I invite him to move his motion. The order of the motion can then be discussed by the house and the matter determined in that way.

Mr. Churchill: I therefore move, seconded by the Minister of National Defence (Mr. Harkness):

That the house do now proceed to government orders.

Mr. Speaker: Before putting this motion before the house I will, of course, hear hon. members. As the hon. minister, who moves the motion, was dealing with the point of order generally, perhaps he would conclude and then I shall hear other hon. members.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, on the point of order may I be allowed first of all—

An hon. Member: On the motion.

Mr. Chevrier: No, there is a point of order that has arisen, and I think I am entitled to speak on the point of order and then on the motion, and unless I am interrupted by Your Honour I propose to do both.

Mr. Speaker: This first point of order is whether this motion is acceptable. Perhaps the hon. member should first address himself to that, and if other points which I indicated might arise follow, they can be discussed in sequence.

Mr. Chevrier: Then I ask to be heard, sir, on the point of order. It arises out of the situation in which the government has allowed itself to be placed. Your Honour has been good enough to suggest that under standing order No. 1 a reference is made to the British parliament when nothing is contained in our rules to cover a situation such as this. Your Honour has been good enough to refer to Campion, but I think Your Honour has also stated there is nothing there which could enlighten us.

Your Honour has also said that the house is master of its own proceedings. That is true, but I submit it is master of its own proceedings within and in accordance with the rules of the house only. The house leader has said that the house decided on an earlier occasion that it would sit this day for the purpose of conducting business. I challenge that statement. The house made no such decision. The house simply made the decision on April 24 that it would sit on Saturdays, without determining, as it should have been determined on that occasion, what the business would be on Saturday, as it has been the custom of the house to determine in the past, namely by making the motion which the house leader attempted to make last night, and by saying that standing order No. 56 (1) is suspended in relation thereto.

The house leader has said that the printing has not been too skilfully done. Well, the printing was done in accordance with the decision of the house. If the motion made last night by the house leader had passed, of course the orders of the day would have contained what we now find on page 4. The printing could not have been other than it is now. It has been stated that the business should be as it now appears at page 4. I cannot agree with that statement, because page 4 does not come into effect until the required rules of the house have been complied with.

Finally, the house leader has said this matter is within the competence of the Speaker. I say to you respectfully, and I am sure you, sir, are of the same view, that the Speaker, while he interprets the rules of the house, is also himself bound by and subject to the rules of the house. He is the one who applies the rules, and in applying the rules he must make sure that in a motion such as this, 48 hours' notice is given. Otherwise the rights of the members of parliament will have been interfered with.

That 48 hours' notice was not given last night and it cannot be given until next week. It cannot be given with reference to the motion which is now before Your Honour; therefore the rules have not been complied with. So it would seem to us that the government, and particularly the Prime Minister by his partisan tactics on April 24, by his refusal to entertain a generous offer of cooperation from this side of the house and by his lack of knowledge of the rules of the house, has made a farce of our proceedings today.

Mr. Speaker: Order, I think I should check the hon. member to indicate that we are debating a point of order, and that does not give an opportunity for the usual type of debate. The only matter that is relevant on the discussion of a point of order is the technical point itself.

Mr. Chevrier: Mr. Speaker, I pass on on then to another point and it is this. There is nothing before the house. How can you, as the Speaker of the house, entertain any motion at this time. Last night the house leader at least asked that we revert to motions. He did not get consent and Your Honour refused to entertain his motion. I say the position is the same this morning.

An hon. Member: It is not.

Mr. Chevrier: He has not asked for unanimous consent of the house to revert to motions. Therefore I submit to you with deference that Your Honour is not competent to receive a motion of this nature at this time. In fact it is too late now for that purpose because we have gone beyond the time when motions are called.

Need I recall to Your Honour the decision which was made on May 2 when the hon. member for Essex East (Mr. Martin) moved in this house, in accordance with notice he gave orally, that the annual report of the governor of the Bank of Canada to the Minister of Finance and the statement of accounts for the year 1960 be referred to the standing committee on banking and commerce for study. Your Honour ruled on that occasion that could not be done, and Your Honour gave quite a lengthy decision after having gone into this matter very carefully. If the hon. member for Essex East was not allowed, because of the rules of the house, to move that motion, as was the case on that occasion, surely the minister is in no better position. In fact the minister is in a far worse position than was the hon. member for Essex East, because at least the hon. member for Essex East had given notice.

I say in conclusion that the motion of the hon. gentleman falls to the ground on three points; first, because 48 hours' notice has not been given; second, because there is nothing before the house, and Your Honour cannot entertain it; and finally because, in order for Your Honour to entertain it, which I submit Your Honour is not competent to do, leave should have been asked to revert to motions. It is now too late for that.

My friend the hon. member for Ottawa West also informs me that the Prime Minister gave an undertaking on April 24 in connection with the business, so that on that further count the motion of the house leader falls to the ground. I submit with deference to Your Honour that Your Honour cannot even entertain it at this time.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, this group approaches this question strictly from an objective and non-partisan point of view. We deny the validity or the right of the minister to move the motion on the same grounds as explained at some length by the hon. member for Laurier (Mr. Chevrier) and I am not going to take the time of the house to repeat them. I have stated our position. We are willing to sit today if today is considered as a Friday. We think that is a fair arrangement. It means some concession on the part of the government, but we are willing to do that because we think it is a fair compromise, and if there is a spirit of co-operation we think it will meet the situation.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I think the key to the resolution of the point of order which has been raised lies in what you said prior to the introduction of the motion by my colleague the house leader. In the first place the house has already decided that it should sit today, and we are engaged now in sitting pursuant to an order of the house. In the second place, the house has made an extensive series of orders appointing for the consideration of the house today those various matters appearing on the order paper at pages 4 to 10 and following. There can be no question but that the house has appointed for consideration today every one of these items of business.

In the face of these two firm decisions of the house, Mr. Speaker, it seems to me that the matter is completely covered by the decisions made. The only question before the house at this moment, therefore, is to determine the order or the sequence in which these various matters appointed for hearing today should be taken up. This point does not appear to be seriously questioned by the hon. member for Laurier, but he raises two points, and may I deal with them.

First of all he says that we are not now on the item of motions on page 2 of the order paper, and therefore the house is not in a position to make a decision, or to entertain any resolution, with respect to the sequence in which the various matters appointed for consideration today should be proceeded with. If that position were given effect it would reduce the house to a nullity and impotence.

Mr. McIlraith: That is what you are doing.

Mr. Pickersgill: That is actually what you did.

Mr. Fleming (Eglinton): We are here pursuant to a decision of the house. We have before us not one or two matters but many matters appointed for consideration today. There can be no escape from that decision; and the house, to give effect to its own decision, which must be the intent of parliament at all times, must then decide simply the

sequence in which these measures shall be taken up. That is what the motion introduced by my colleague the house leader purports to do. It does that and no more than that, and it does it, Mr. Speaker, in necessary pursuance and in necessary fulfilment of the decisions taken by this house.

The other point raised by the hon. member for Laurier concerns the fact that 48 hours' notice has not been given. He says in effect that this matter was introduced last night and was not permitted to be proceeded with partly because at that time there was no agreement to revert to motions and partly because 48 hours' notice was not given. I think I have dealt with the first matter, Mr. Speaker, but I draw attention to the fact that the motion now submitted to the house is not the same motion as was put before the house last night.

Mr. Chevrier: May I ask the minister a question. Does he now maintain that the motion before the house, or about to be put, is one which does not require 48 hours' notice?

Mr. Fleming (Eglinton): Yes, I am coming to that. Without dealing with the point or giving ground to the hon. member on the question of not giving 48 hours' notice of the motion which was put before the house at six o'clock last night, the fact is that in the situation we find ourselves now the motion offered by my colleague the house leader does not require 48 hours' notice, because it is a routine proceeding designed to give effect to the decisions of the house with respect to the business of today. That business has already been determined by the house.

As to what shall come before the house—

Mr. Chevrier: No, it has not.

Mr. Fleming (Eglinton): —we have all these matters of business before us, and the only question requiring decision by the house at this moment is the selection of the particular matter to be taken first. It is simply a question of the sequence in which the business appointed for this day shall be taken up; it is not a question of introducing into today's proceedings questions which have not already been appointed for hearing today. Therefore, Mr. Speaker, I say the motion now before the house is not such a motion as requires 48 hours' notice. It is a routine proceeding simply related to the order in which business appointed for this day shall be taken up.

Finally, Mr. Speaker, there are two matters that I think call for comment. I will not follow the hon. member for Laurier in his debating comments; I do not think they were proper to be raised on the discussion of the point of order, and I shall confine myself to the discussion of the point of order.

Mr. Chevrier: That will be new.

Mr. Fleming (Eglinton): But I do take up the reference made by, I think it was, the hon. member for Ottawa West, or the hon. member for Laurier, that the Prime Minister had given some undertaking in regard to the business to be brought before the house today. On the occasion in question, namely the debate on April 24, 1961, the Prime Minister did make certain suggestions in regard to the business of the day. He indicated that if the house were prepared to agree it could be made a matter of consent that on Saturdays the house should consider supply.

Mr. McIlraith: Another commitment that means nothing.

Mr. Fleming (Eglinton): The remarks of the Prime Minister are to be found at page 3928 of *Hansard*. It is perfectly clear that the Prime Minister's remarks do not bear the interpretation put upon them by the hon. member for Ottawa West, and it was not an undertaking at all; it was a proposal. You will see, Mr. Speaker, at page 3928 of *Hansard*, first column, the Prime Minister said:

> Let me go on from there. I think Saturdays could well be set aside, if the house agrees, for dealing with the supply of various departments.

Mr. Chevrier: Why don't you read it all?

Mr. Fleming (Eglinton): He spoke about the spirit of co-operation shown by the members of the opposition, and then he said:

> I would not want to see controversial matters dealt with on Saturdays because I would want to be assured that as many hon. members as possible would be present, not only from the opposition but on the government side. In any event, I think we could get together when controversial matters are to be discussed.

That was the tone in which the Prime Minister spoke. He was proposing that the house should agree that on Saturdays business might be confined to committee of supply; but the house has not reached such an agreement. We on our part are prepared to renew that proposal if it should meet with the approval of the house.

In conclusion, Mr. Speaker, concerning the suggestion offered by the hon. member for Kootenay West that the house should follow the order of business as on a Friday, this would be entirely acceptable to the government. Perhaps it might commend itself to the official opposition, but that would be—

Mr. Chevrier: No, sir; entirely unacceptable.

Mr. Fleming (Eglinton): —for them to say. I think we have shown that we have business to do, important business of the country to be transacted. Surely it is the wish of hon.

members not to make a nullity out of today's proceeding, but to make effective use of this day for the discharge of important and essential public business.

What could be the result, Mr. Speaker? It does not mean that the business will not be done; it simply means that if hon. members opposite were correct the house, although it has met pursuant to its own decision and although it has much business before it pursuant to a number of its own decisions, would, in their view, be under obligation now to disperse without doing any of that business it has met here to transact. The result then would be that this time would be wasted after we have met, after we are here and ready to proceed with the business, and that the session would extend one day longer, whenever that may be, July, August or whenever it may be.

Now, Mr. Speaker, surely we are all serious persons in this house. We are here to transact the business of parliament on behalf of the country, and surely that business appointed to be heard today, no one being taken by surprise as to that business, will commend itself to all hon. members who have an equal sense of responsibility in relation to the discharge of the country's business. Our duty now is to proceed with the business that has been appointed for this day.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wish to deal with all the points that have been raised by the Minister of Finance. First of all, the minister argues that the business for today under orders of the day had already been appointed by the house. If that contention is correct, any motion to this effect would be completely superfluous. In this parliament, including this session, we have sat for many days, and never before on orders of the day has it been necessary to make any motion in order to get on with the business of the house. If the house, as the minister contended, had set down the business for today, Your Honour and the officials of the house would have indicated it on the order paper. The fact that you did not indicate it on the order paper is itself the completest evidence of the fallacy of the minister's argument. The business would be there and there could be no question of any motion being required. Therefore it seems to me that the Minister of Finance has completely demolished the very argument he set out to support.

The minister went on to take exception to the important technical points raised by the opposition, even though we were met with technical points when we offered co-operation on the 24th of April. I refer to the technical point that there must be 48 hours' notice, the technical point that the time for moving a motion has now passed and that the Minister of Veterans Affairs did not attempt to move this motion at that time. There is no provision anywhere in our rules for moving any kind of motion when we have reached orders of the day. Therefore it seems to me that since there is no such provision and, as Your Honour has said, though the house is master of its procedure, it could not be done without unanimous consent, as has always been recognized in cases of this sort where an exception is required or desired to be made.

The Minister of Finance has also said that various orders of the house have been made at different times for the business to be carried on today. That, sir, is to render a nullity a solemn assurance or what we took to be a solemn assurance by the Prime Minister. Perhaps Your Honour will think we were very foolish to take any undertaking by the Prime Minister as an assurance—

Some hon. Members: Order.

Mr. Browne (Vancouver-Kingsway): On a point of order—

Mr. Pickersgill: I am speaking on the point of order.

Mr. Browne (Vancouver-Kingsway): On a point of order—

Mr. Speaker: Order. The hon. member is speaking on the point of order.

Mr. Browne (Vancouver-Kingsway): Surely he has no business making a direct attack on the Prime Minister.

Mr. Speaker: I have already indicated that the matter that is relevant to the discussion is the technical problem of procedure and not the conduct of hon. members, and I think the hon. member should bear that in mind.

Mr. Pickersgill: I want to read the words that the Prime Minister used on Monday, April 24, with respect to the sittings on Saturdays. The Prime Minister said—

An hon. Member: What page?

Mr. Pickersgill: Page 3928, the same page from which the Minister of Finance read and to which he failed to give the reference when the hon. member for Ottawa West asked for it. I am going to read rather more than the Minister of Finance read. The Prime Minister said:

> Let me go on from there. They pose today—
>
> The members on this side of the house.
>
> —as lovers of parliament. I think Saturdays could well be set aside, if the house agrees, for dealing with the supply of various departments. There will be that fine spirit of co-operation of which hon. gentlemen opposite have spoken. On

Saturdays various departments could be dealt with. I would not want to see controversial measures dealt with on Saturdays—

I emphasize that. The Prime Minister said:

I would not want to see controversial measures dealt with on Saturdays—

The business under government orders is controversial, sir, and the business under government orders was not announced for today. In fact the house leader, the hon. member for Winnipeg South Centre, announced several times that what we would be taking up today would be supply, and the hon. members surely were entitled to rely both on the assurance of the Prime Minister and the secondary assurance of the house leader that supply would be taken today.

Many hon. members had made other business engagements before they knew the house was going to sit this Saturday, and they are not here to take part in the debates. If we are to have any spirit of confidence, any reliance at all, any possibility of carrying on our procedure in a proper way, surely we should be able to rely on the undertaking of the Prime Minister when he said:

I would not want to see controversial measures dealt with on Saturdays—

I go on to give the rest of it.

—because I would want to be assured that as many hon. members as possible would be present, not only from the opposition but on the government side.

That is an undertaking, Mr. Speaker. Of course the Minister of Finance said it was not an undertaking, but we regarded it as an undertaking that what would be called on Saturdays would be supply.

Mr. Aiken: That is what he is trying to do.

Mr. Pickersgill: I will come to that. If the hon. member can just possess his soul in patience, I will come to that point too.

Mr. Aiken: You are arguing against your own case.

Mr. Pickersgill: The Prime Minister went on to say:

In any event, I think we could get together when controversial matters are to be discussed.

So far as I know, no attempt whatever has been made from the government side to do that.

I think a step forward has been made today in this regard.

That is what the Prime Minister said, but apparently it was not a step. It was not even a half step; it was just another "boob".

On Saturdays we could deal with supply in respect of which, by agreement among the leader of the government in the house, the hon. member for Laurier and the hon. member for Kootenay West, they would have no difficulty in getting together and reaching the fullest agreement.

[Mr. Pickersgill.]

To the best of my knowledge no attempt was made to do that.

These matters could be discussed on Saturday without in any way depreciating the opportunity of the opposition, including the hon. member for Essex East . . . to fully discuss matters as they arise.

It seems to me, sir, that when you take that statement of the Prime Minister and the announcements made repeatedly this week by the house leader that supply would be taken today, it would certainly be a breach of good faith for the government to attempt to enter upon anything except supply today. It seems to me that not only would it be a breach of good faith, but there is a clear indication that the house did not consciously appoint these orders for consideration on Saturday. They appointed them for consideration on ordinary sitting days, and the specific exception made by the Prime Minister as the real leader of the house, as an officer of the house, should be sacred.

With respect to the question of supply, I might point out to Your Honour that there are important precedents in 1917 and 1918 with which Your Honour is familiar, and into which I do not intend to go unless it seems to be necessary. But I would point out that for the house to attempt to go into supply today without question put, as suggested by the hon. member for Kootenay West, would be an abridgement of the most ancient right of parliament, the right to express grievances before entering into supply.

If, as was done last year when we sat on Saturdays—and I have the reference here—a motion had been made specifically providing that the rules should be the same as on Thursdays, and the house had agreed to that, we could complain but we could take no exception; it would be the rule of the house. But for the government to attempt today without question put to have the Speaker leave the chair without putting the question would be an attack upon the most ancient and fundamental right of parliament, the right to express grievances before entering upon supply.

Therefore I contend that, because of the ignorance of the rules exhibited by hon. gentlemen opposite, their carelessness in this matter and their eagerness to score a partisan advantage on April 24, no business whatever has been prescribed for today, and that Your Honour was completely correct in authorizing, as you did, the production of a blank order paper.

Hon. W. J. Browne (Solicitor General): Mr. Speaker, you drew attention to the first rule in our standing orders, which provides as follows:

In all cases not provided for hereafter or by sessional or other orders, the usages and customs

of the House of Commons of the United Kingdom . . . as in force at the time shall be followed so far as they may be applicable to this house.

I do not know, sir, whether any changes have been made since this edition of May, but I am quoting from Sir Erskine May's Parliamentary Practice, thirteenth edition, which deals with Saturday sittings:

A Saturday sitting may be obtained upon the motion of a minister of the crown, that the house shall sit on that day, or by the appointment of an order of the day, or of other matter of business for an ensuing Saturday, or by a motion made on a Friday, that the house at its rising do adjourn till the morrow. Such sittings are occasionally held subject to the standing orders which regulate the Friday sittings, or to an order that, as soon as government business is concluded, the adjournment of the house shall take place without question put.

On April 24, following a suggestion by the hon. member for Port Arthur, this house decided to sit on Saturday. Everybody in this house so decided. We are bound to come here and sit. For what are we gathered here, as members from different parts of the country, if it is not to do government business? Who is apparently taking advantage of any omission, if there is any omission, but the members of the Liberal party? I say that the procedure which should be followed is regulated by what happens in the United Kingdom parliament.

Mr. Speaker: What is the reference?

Mr. Browne (St. John's West): Sir Erskine May.

Mr. Speaker: What page?

Mr. Browne (St. John's West): Page 260. The hon. member for Kootenay West has made what I submit is a very reasonable suggestion, that we follow the procedure laid down for Friday in our rules, which provides for government orders to be considered as the first business. The hon. member for Bonavista-Twillingate has said that we cannot go into supply, although that is one of the items of busines laid down here amongst government orders. Does the hon. member believe we do not wish to follow the statement made by the Prime Minister?

Mr. Pickersgill: The Minister of Finance said you did not.

Mr. Fleming (Eglinton): I said that offer still stood.

Mr. Browne (St. John's West): The Prime Minister made a very elaborate statement which should assure the members of the opposition that we have no intention of introducing anything of a controversial nature. We intend to go on with supply. In addition, the hon. member knows that when a motion for supply is made to take up some new department, that is the time a motion of want of confidence is made and grievances are considered. When we have been discussing a department and there is an item on the order paper, "House again in committee of supply", it is not necessary to put a motion to the house because the house can go into committee of supply without a motion being put.

Mr. Chevrier: The cat is out of the bag now.

Mr. Browne (St. John's West): I submit that the suggestion which has been made by the hon. member for Kootenay West is one that should apply automatically. The government has the right, ordinarily, when government orders are called to decide the order of business that should be followed. The government has already given a clear indication through the statement of the Prime Minister that we shall go on with supply. I submit therefore, sir, it is in order for us now to proceed to the item, government orders, and to proceed with supply.

Mr. Pickersgill: I have a reference, sir, on the precise point.

Mr. Speaker: I do not propose to deal with the question of going into supply, because that is not in issue at this moment. I have allowed discussion on it, and if that question should arise later it can be dealt with later. It does not arise at this time.

Mr. Harold E. Winch (Vancouver East): If I may be permitted to speak for a few minutes on the point of order, Mr. Speaker, I should like our position to be very clearly understood. We feel very strongly, sir, that in order to ensure the efficient operation of the House of Commons there must be the strictest possible adherence to the standing orders and customs of the house. A reading of our standing orders, of course, makes it exceptionally clear that if a situation arises in the house which is not covered by our standing orders or customs, then we should refer to and be governed by the standing orders and customs of the mother of parliaments in Great Britain.

It has already been made clear, sir, that our standing orders and customs in this Canadian House of Commons give us no indication as to how to proceed. As you, sir, have rightly pointed out in your quotation, if the United Kingdom parliament sits on a Saturday without any prior order of precedence under standing orders, then automatically the business on Saturday follows the precedence of business on Friday. We submit, therefore, that since under our standing orders there is no order, precedent or custom for a motion such as the house leader has sought to move

then you, sir, are faced with two alternatives. Unless there is unanimous consent to accept the motion, which has not yet been accepted, then it cannot be accepted. Second, there being no standing order, custom or precedent for this situation, then according to our standing orders it is your duty to proceed with the business of the house on this Saturday in accordance with the customs and precedents of the United Kingdom parliament, which means we would follow the order of business for Friday.

If these courses are not followed, sir, then we most respectfully submit there is only one motion that can be accepted in this house, namely that we stand adjourned until 11 o'clock on Monday morning. We want to say this. By order of the house we are meeting on Saturday. We are now in session; therefore we sincerely hope, since we are meeting and since there is business to be done, a decision will be made by you, sir, as the authority in this house, that we now proceed in accordance with the customs of the United Kingdom parliament and conduct our business. Failing such a ruling, then, sir, you should accept the motion that we do now adjourn.

Mr. Pickersgill: I should like now to address you, sir, on the precise points raised by the hon. member for Vancouver East and the Solicitor General.

Mr. Aiken: On a point of order—

Mr. Pickersgill: I am speaking to a point of order.

Mr. Aiken: I should like to raise this, Mr. Speaker—

An hon. Member: You cannot have two points of order at the same time.

Mr. Aiken: I am going to raise the issue of whether the hon. member can speak three or four times to a point of order.

Mr. Speaker: The hon. member's point is not very well taken. It is within the discretion of the Chair to hear such members as the Chair feels might contribute to the solution of the point of order.

Mr. Pickersgill: I assure Your Honour that I have no intention of introducing any new matter or any new argument whatever. I was merely seeking to draw Your Honour's attention, and the attention of the house, to a question which arose on this precise point on September 17, 1917. A motion was made by the hon. gentleman who was leading the house that there should be sittings on Saturdays and that the rules should be the same as for Friday. Perhaps the motion should be read, Mr. Speaker. The motion that was made at that time was as follows:

[Mr. Winch.]

That on and after Saturday the seventh of July, proximo, and on Saturdays until the end of the present session, the house shall meet at three o'clock in the afternoon and the order of precedence on Saturdays shall be the same as on Fridays.

Mr. Browne (St. John's West): May I ask the hon. gentleman a question?

Mr. Pickersgill: Yes.

Mr. Browne (St. John's West): Did he not start off by saying that this was taken from the *Votes and Proceedings* of September 17.

Mr. Pickersgill: September 17, 1917.

Mr. Browne (St. John's West): Now the hon. member is speaking of the motion made in July, is he not?

Mr. Pickersgill: This was Monday, September 17, 1917.

Mr. Speaker: On Saturday the hon. member for St. John raised a point of order that the order of the house of the 22nd June made upon the motion of the Prime Minister—"That on and after Saturday the seventh of July, proximo, and on Saturdays until the end of the present session, the house shall meet at three o'clock in the afternoon, and the order of precedence on Saturdays shall be the same as on Fridays"—

On that occasion the Speaker ruled that notwithstanding the language of that order, the rules with respect to Friday did not apply to Saturday.

Mr. Speaker: Will the hon. member let me have the volume from which he was quoting?

Mr. Pickersgill: Yes.

Mr. Frank Howard (Skeena): At this time I should like to deal only with the question of the order of business for Saturday where no order of the house is made. While this may be a flimsy hook on which to hang one's hat in the absence of anything else, I draw Your Honour's attention to Beauchesne's fourth edition, page 381, where it deals with forms and formulae with regard to certain motions. Under form No. 36 we find the following:

That on Saturday the ....., and every Saturday thereafter until the end of the Session, the House shall meet at three o'clock in the afternoon and the order of business and procedure shall be the same as on Fridays.

I submit that implicit in that language is the understanding that unless the house orders otherwise the order of precedence for Saturday shall be the same as that on Friday. If I may, I connect this with Your Honour's reference to Campion in the British house, where reference is also made to Friday. In the absence of any other order, Mr. Speaker, I think your ruling should be that the business for today should be carried on as if it were a Friday.

Mr. E. W. Brunsden (Medicine Hat): Speaking to the point of order, may I say that it is a matter of extreme gratification to me this morning that none of my constituents are sitting in the galleries.

Mr. Speaker: Order. The hon. member is beginning in a vein rather different from a discussion of the point of order. Unless he has some assistance for me I think I had better deal with the matter on the evidence I have already had.

Mr. Brunsden: My point of assistance, Mr. Speaker, if I may humbly state it, is this. A few days ago we debated whether or not we would sit on Saturdays. I personally should prefer not to sit on Saturdays. I should prefer to have Saturdays in my office. However, it was decided to sit on Saturdays. What has happened? We have been here now for one hour and 20 minutes and we have had a spectacle of obstruction—

Some hon. Members: Order.

Mr. Pickersgill: That is a reflection on the house.

An hon. Member: That is exactly what it has been.

Mr. Pickersgill: Whose fault is it?

Mr. Speaker: A difficult problem is presented here, as I think hon. members will appreciate, and to it I have been giving my best judgment. I think I have sufficiently cleared my views now, with the assistance of a number of members, and I thank them for the contribution they have made to the solution of the problem. As I say, I think I have cleared my mind sufficiently that I am prepared to rule. Of course the house is free to accept or reject my judgment as it sees fit.

I have come to this conclusion. The house has ordered a sitting today and it has ordered business for today. Therefore it is my duty to interpret the rules in a way which does not lead to a denial of those two orders. To my mind it would be an absurdity to convene and then, because of some error, do no business.

It is not my business to commend or otherwise; I simply am obliged to deal with the situation with which we are faced. Because of a deficiency, shall we say, in the order of the business of the house, a problem arises which calls for a solution that at least makes sense. It seems to me that any solution which left the house suspended, with no business at all to do, would not make sense.

It has been proposed to meet the difficulty by a motion, and I have been concerned to ascertain whether that motion could be entertained. It is not a motion under standing order 41 which requires 48 hours' notice, in my judgment, because it is a motion to order the business of the house. It is not a bill or a resolution that requires 48 hours' notice. It is a motion with respect to the business of the house; it is a motion to make an order of the house, which order can be made without notice. Furthermore, we have not yet entered upon orders of the day, for the good reason that I was not prepared to call an order of the day until I had the advice of the house. We are therefore on routine proceedings, and there are motions relating to the business of the house that can be made on routine proceedings.

The point has been taken that the motion should have been made when motions were being dealt with—and I think it should have been made at that time—rather than after we had passed from motions to government notices of motions. However, if the matter were pressed or considered further I think some ground might be found for entertaining the motion. I therefore do not discard the possibility of a motion without notice on routine proceedings. However, I propose to reject the motion and to deal with the problem that confronts us on the basis of the order paper itself.

We have an order paper which follows the order of Friday. I think some help is to be found in the precedents that were cited from the United Kingdom. I have not had time to investigate them fully, but the citation that was given by the Solicitor General from May's thirteenth edition is carried forward into the sixteenth edition of May at page 321, where it is stated as follows:

> In view of the terms of S. O. No. 3 a sitting on Saturday or Sunday (except in the case of the demise of the crown) can only be secured by a resolution of the house, made normally by a minister of the crown at the commencement of public business. As a sitting on either of these days is not subject to any rules of the house regulating the hours of meeting, interruption, and adjournment, such matters have been provided for in the resolution appointing a Saturday sitting—

That is one way, and that is the way in which we have dealt with the matter here in the past. Then it goes on to state as follows:

> —and such sittings have been held under the limiting conditions formerly applying to Friday sittings—

I suggest to the house that as the house has not appointed the order, the solution of the difficulty is to continue with the order that was last before the house, and that is the order of Friday.

Therefore my ruling is, in accordance with the order paper which has been printed, that the first item appearing on the order paper be called first. I would ask the Clerk to call the first item on the order paper, which is No. 1 under government orders.

INCOME TAX

AGREEMENT BETWEEN CANADA AND NORWAY FOR THE AVOIDANCE OF DOUBLE TAXATION

On the order:

Second reading of Bill C-48, an act to implement a convention between Canada and Norway for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.—The Minister of Finance.

Mr. Fleming (Eglinton): Stand.

Order stands.

CORPORATIONS AND LABOUR UNIONS

PROVISION FOR FURNISHING FINANCIAL AND OTHER STATISTICS

On the order:

Second reading of Bill C-70, an act to provide for the furnishing of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities within Canada.—The Minister of Justice.

Mr. Fleming (Eglinton): Stand.

Order stands.

AGRICULTURE

PROVISION FOR AGREEMENTS RESPECTING MARGINAL LANDS, RURAL EMPLOYMENT OPPORTUNITIES, ETC.

On the order:

Resuming debate on the motion of the Minister of Agriculture for the second reading of Bill C-77, an act to provide for the rehabilitation of agricultural lands and the development of rural areas in Canada.

Some hon. Members: Stand.

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, I rise on a point of order, or at least to ask for the guidance of the house. We are quite prepared to go ahead now with the legislation referred to in this item, No. 3. On the other hand, if the house prefers to revert to what it was doing yesterday at five o'clock, governed by rule No. 7 under the business being interrupted, and wishes to go on in supply dealing with the estimates of the Department of Northern Affairs and National Resources, that is quite agreeable to us.

Mr. Robichaud: That is against the rules.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I reiterate the position which I took earlier. This legislation is certainly in the category of that mentioned by the Prime Minister when he spoke in the debate as reported at page 3928 of *Hansard* of April 24. In effect the Prime Minister said that nothing contentious would be taken up on Saturdays.

[Mr. Speaker.]

I need not repeat what was said at the time by the hon. member for Bonavista-Twillingate, the Minister of Finance, or the interjection made by the hon. member for Essex East (Mr. Martin). Therefore I submit that the point of order is not well taken.

Mr. Speaker: It is not really a point of order; it is a matter of decision by the government whether it wishes to proceed with this matter, having regard to the circumstances, or what it should proceed with.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, may I ask precisely what you said earlier in determining the point of order on the motion which you ruled to be out of order. Would you clarify this point as to the relationship of the decision you made to the business that was before the house on Friday? When I spoke earlier on the point of order I made it quite clear that as far as the government is concerned we are perfectly content to go on with supply today. As the words of the Prime Minister indicated, this was the proposal of the government, that if the house were agreeable and were in committee of supply on Friday, that would be the business with which the government would wish to proceed on Saturday.

That is the position. If the house is agreeable to going into committee of supply on Saturday, that would be the business with which the government would wish to proceed; in other words, item No. 10 on the order paper. However, I gather there is some objection by hon. members opposite. If your ruling is that we should continue with Friday's business, then item No. 10 is the item to be considered.

Mr. Speaker: It is perhaps irregular to advise, because the point is raised in anticipation—

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I could say a word before your advice is given. It seems to me you did say earlier, before giving your previous ruling and when I sought to make some additional argument on this point, that there would be an opportunity later to argue this point. I am not seeking to argue it now, but I trust that is Your Honour's disposition.

Mr. Speaker: The government is quite within its rights to stand its own orders, as it is doing, or to move that the house proceed to another order and go to the supply order which was the business indicated earlier in the week. Although the point has not yet arisen, I think I should say my view is that a supply motion would be debatable on Saturday, because the rules only permit supply

motions to be made without debate on Wednesday, Thursday and Friday.

Mr. Fleming (Eglinton): In that event, Mr. Speaker, as it has been announced by the house leader that there will be a supply motion on Monday, at which time any grievance which is properly raised can be debated, and as we would like to make some use of this day the house has met, the government suggests that we proceed—

Mr. Speaker: Order. I should point out to the Minister of Finance that the house would have to give unanimous consent to achieve the objective which has been stated by several hon. members. If the house is prepared to give unanimous consent to proceed in committee of supply without debate, in view of the order for Monday, we have reached the point where this would not be a concession other than in accordance with anticipated business.

Mr. Chevrier: Mr. Speaker, there is not unanimous consent to giving up our rights.

Mr. Smith (Calgary South): Blocking again.

Mr. Fleming (Eglinton): Lacking that unanimous consent, the offer the Prime Minister made on April 24 is not accepted by the official opposition; therefore we will proceed with item No. 3.

Mr. Pickersgill: Mr. Speaker, I rise on a question of privilege affecting the rights of hon. members with respect to the statement made by the Prime Minister. I think in order to save the time of the house and clarify the matter, the simplest way would be for me to read a motion, which Your Honour can consider one way or the other. I move, seconded by the hon. member for Ottawa West (Mr. McIlraith):

That in the opinion of this house the attempt of the government, notwithstanding the undertaking given by the Prime Minister as leader of the house—

Some hon. Members: Order.

Mr. Churchill: Completely out of order.

Mr. Pickersgill: This is a question of privilege.

Mr. Speaker: If it is a question of privilege of course it can be raised at any time, but the hon. member who wishes to move a motion should indicate in concise terms his point of privilege before he enters into discussion, so it can be determined whether it is a prima facie question of privilege. If there is a genuine question of privilege I think hon. members would agree that it is properly raised at any time.

Mr. Pickersgill: Mr. Speaker—

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

Mr. Speaker: Order. I will hear the minister on the point of order. I am not sure what the point of order is.

Mr. Chevrier: Mr. Speaker, the hon. member for Bonavista-Twillingate has risen on a question of privilege.

Mr. Speaker: If the point of order relates to the hon. member's wish to raise a question of privilege, I should hear the point of order before the hon. member proceeds.

Mr. Fleming (Eglinton): Mr. Speaker, the observation I wished to make was this. The Clerk has called item No. 3 on the order paper. I indicated that it would be the intention of the government, under the circumstances, to proceed with item No. 3. Surely it is item No. 3 which is before us, and the Minister of Agriculture has the floor.

Mr. Speaker: I have been advised that when this matter was last before the house the hon. member for Moose Jaw-Lake Centre (Mr. Pascoe) had the floor. Until the hon. member has risen and been recognized there is opportunity to raise a question of privilege which is relevant to the current proceedings. Such a question of privilege should be raised and dealt with at the time it arises, if it is relevant. As I have not yet recognized the hon. member for Moose Jaw-Lake Centre I will hear the hon. member at least to determine whether there is a question of privilege.

Mr. Pickersgill: Mr. Speaker, if you find there is a question of privilege here, I wish to found a motion upon it.

Mr. Churchill: No, state the question of privilege first.

Mr. Pickersgill: I am going to state my question of privilege first. It was so obvious that I thought I might save the time of the house by simply making the motion. Since I am not allowed to do that, I will accept Your Honour's advice and state the point very precisely in the words of the Prime Minister, to which I hope hon. gentlemen will listen.

An hon. Member: Get on with it.

Mr. Pickersgill: My question of privilege is that the Prime Minister said on April 24:

On Saturdays various departments could be dealt with.

The Prime Minister went on to say:

I would not want to see controversial measures dealt with on Saturdays because I would want to be assured that as many hon. members as possible would be present—

He went on later to say:

These matters—

That is supply:

—could be discussed on Saturdays without in any way depreciating the opportunity of the opposition, including the hon. member for Essex East—

He specifically mentioned the hon. member for Essex East who, I may point out, is not in the house at the present time because he was assured by the Prime Minister that he need not be here on Saturday to debate controversial matters—

Some hon. Members: Oh, oh.

Mr. Speaker: Order. In effect the hon. member is asserting that the statement made by the Prime Minister in debate governs the proceedings today. I think it is clear that it does not govern it. The house is not bound by that statement. While it is not a breach of the privileges of the house to proceed as is now being done regardless of what has been stated, it may be a matter for debate. To my mind, this does not raise a question of the privileges of the house. If it did, the house would be bound by the indication made by the Prime Minister, and we would necessarily go into supply.

Mr. Pickersgill: On the point of order which Your Honour has raised, I would draw to Your Honour's attention the fact that you made a ruling on Tuesday with respect to a motion attempted to be moved by my hon. friend from Essex East, that the house leader had certain responsibilities and certain rights in this house and was an officer of the house. We have a courtesy house leader in the hon. member for Winnipeg South Centre, but the leader of the house is the Prime Minister. It was in his capacity as leader of the house, while moving the motion, that this undertaking, or what we consider a solemn undertaking, was given to the house. Of course it is no doubt technically true that if the government wants to, it can break the Prime Minister's undertaking and refuse to regard this as an obligation and we would have no recourse.

Mr. Speaker: I am afraid I cannot agree with the hon. member that the government is now in a position, in the situation which has developed with respect to the orders, to do other than it is doing, and I cannot see a question of privilege on which the hon. member can found a motion. I recognize the hon. member for Moose Jaw-Lake Centre.

Mr. McIlraith: Mr. Speaker, arising out of what I understood to be the latter part of Your Honour's remarks—

Mr. Speaker: Order. Would the hon. member for Moose Jaw-Lake Centre defer his remarks? Is the hon. member for Ottawa West arising in respect of my decision?

[Mr. Pickersgill.]

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to ask for clarification in respect of the latter part of your decision. If I understood you correctly, and I should like to be corrected in this as it was delivered fairly quickly, you said that the government was not in a position to call other orders. I should like to draw your attention to the fact that under government orders, at page 5 of today's order paper, appears item No. 10, "House again in committee of supply", and I would suggest the house is in a position to—

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. McIlraith: Mr. Speaker, I think it is desirable that we have recorded in *Hansard* the remarks of hon. gentlemen opposite supporting the government who continue to trample on the rights of hon. members, as they have been doing just now. This whole situation, I would point out to those hon. members, has been brought about by the government's failure to bring forward, as we have looked for since April 24, the required motion. But the point I rose to deal with is this. I wanted to take the liberty of pointing out to you, sir, that if I heard you correctly, item No. 10 on today's order paper was the item the government agreed to call, but I suggest that what disposition will be made of that cannot be determined in advance but is something that has to be done at the time.

Mr. Speaker: That is true. I have perhaps improperly indicated in advance that in my view the supply motion, if called, would be debatable. That was really the significance of the last statement in my decision with respect to the matter of privilege. I did not intend to indicate that the government was bound to stop at this item No. 3.

Mr. McIlraith: Mr. Speaker, as I pointed out, I was concerned by one point. It is quite true that you indicated that the supply motion, if it was called today, would be debatable, but I do not want to see the point arise where Your Honour is left in the position of saying that if the motion is to be debated, the government cannot call it. That is the position I raise, and I think it is a proper point to raise, because I think it is a very significant right to hon. members that the Speaker must not be put in the position where it can be argued or suggested that because a certain item of business is going to have certain consequences when it is called, it ought not to be called. I think Your Honour would agree with me in this.

Mr. Argue: Mr. Speaker, I wonder whether I may be allowed to say a word or two. I do believe that at least the majority of hon. members of this house would like order No. 10 called in order that we might go forward today with the business which was left yesterday. However, Your Honour did say that if this motion were called it would be debatable. It does seem to me that if the business for Saturday is to be the same as the business for Friday, and that the rules for Friday should apply today, a motion to go into supply on Friday is not debatable and therefore a motion to go into supply on Saturday should not be debatable. Therefore, if we do, as I hope we will, call item No. 10, we could consider the estimates without having a supply motion put.

Mr. Speaker: It is evident that if one makes one error it is easy to get into a second. Perhaps I should not have expressed a view about the supply motion in advance, but it seemed to be relevant to a solution of our difficulties, and I did, express that view. I have no intention of saying that it is not possible to call the item, and that it is then within the discretion of hon. members of the house to debate it or not. All I am saying at the moment is that I cannot find a question of privilege in the matter raised by the hon. member for Bonavista-Twillingate. Order No. 3 has been called and we are now free to proceed with that matter in the absence of a change by the government.

Mr. Pickersgill: Mr. Speaker, I would appreciate the opportunity, as the hon. member for Ottawa West was given, of commenting on the use of the word "alternative" in your judgment, because it seems to me there is a clear alternative open to the government whereby it could do its part in keeping the undertaking of the Prime Minister to call supply today. That is to call item No. 10 on today's order paper and take the consequences. Then they would be keeping the Prime Minister's word and not evading it, which is what the government is now seeking to do.

Mr. Churchill: Mr. Speaker, I rise on a question of privilege with regard to the terms used concerning the Prime Minister, and the complete irresponsibility with which they have been used in respect of his statement of April 24. The statements made by the hon. members of the opposition with regard to what the Prime Minister said are not correct. The Prime Minister made no firm undertaking that supply only would be considered on Saturday. He spoke in these terms of members of the opposition, as reported at page 3928 of *Hansard* of April 24, 1961:

> They pose today as lovers of parliament.

Those are his words, and the hon. members of the opposition are certainly showing themselves as obstructionists today.

Some hon. Members: Hear, hear.

Mr. Pickersgill: You should talk about obstructionists.

Mr. Churchill: The Prime Minister on that occasion went on to say:

> I think Saturdays could well be set aside, if the house agrees, for dealing with the supply of various departments.

That same offer was made earlier today by the Acting Prime Minister but there was no co-operation on the other side. The Prime Minister then is recorded as having said the following:

> There will be that fine spirit of co-operation of which hon. gentlemen opposite have spoken.

None of that spirit has been shown by them today. The Prime Minister then is reported to have said the following:

> On Saturdays various departments could be dealt with. I would not want to see controversial measures dealt with on Saturdays—

Hon. members opposite are pretending that a supply motion is not controversial, yet they have called three votes one way or another on the estimates.

Mr. Speaker: Order. The hon. minister rose on a question of privilege, and I have allowed him some leeway.

Mr. Chevrier: I rise on a question of privilege, to take issue with what has been said by the house leader, who referred to our tactics as obstructionist.

Mr. Speaker: I think perhaps the minister would like to modify the word "obstructionist". I will give him the opportunity to do so. As far as the question of privilege arising out of the intervention of the hon. member for Bonavista-Twillingate is concerned, I have disposed of that. Really the discussion is continuing on that basis, and I would ask hon. members to desist.

Mr. Chevrier: I rise on a question of privilege. We have been charged by the house leader and another hon. member with using obstructionist tactics. What we have been doing is supporting the rules of this house and asserting the rights of parliament. I ask you, sir, to invite the house leader and the hon. member for Calgary South to amend their language when they direct their attacks on us as obstructionists. On the contrary, what we have done is to say that the government is not abiding by the rules of the house. In effect, what the government has done—

Mr. Speaker: Order. I think the debate is likely to continue if it is allowed to; therefore I shall only give the house leader the opportunity, which the hon. member has suggested, to modify the word "obstructionist", if he wishes to do so, and then proceed to the next business.

Mr. Churchill: Mr. Speaker, if the word "obstruction" is objectionable—I do not think it is contrary to the rules—to hon. members on the other side I would substitute "delaying tactics". On my point of privilege which arises from the statement of the hon. member who said the government is not acting in accordance with the rules, I say, sir, we are acting in accordance with the rules laid down by Mr. Speaker.

Mr. Chevrier: On the contrary, you are not.

Mr. Speaker: Order. Item No. 3 has been called, and we shall proceed with that unless there is some modification made. The hon. member for Moose Jaw-Lake Centre.

Mr. Chevrier: Mr. Speaker, I am still on the question of privilege.

Mr. Speaker: Order. If the hon. member is rising on the question of privilege raised by the hon. member for Bonavista-Twillingate, that has been disposed of; it is not open for further discussion unless the hon. member for Laurier has a new matter, and even then I think I would not see him until the hon. member for Moose Jaw-Lake Centre had been heard.

Mr. Pickersgill: Mr. Speaker—

Mr. Speaker: Order. The hon. member for Moose Jaw-Lake Centre.

Mr. Chevrier: Mr. Speaker, I ask to be heard on a question of privilege.

Mr. Speaker: Order. The hon. member will have to defer his question of privilege until he can get the floor.

Mr. Chevrier: May I ask Your Honour a question. Is Your Honour ruling that I cannot at this stage rise on a question of privilege as, in accordance with the rules of the house, I submit with deference I have the right to do?

Mr. Speaker: That is my ruling, and in order to explain it to the hon. member I will say this. One question of privilege intervened and prevented the hon. member for Moose Jaw-Lake Centre from taking the floor. That has been disposed of. I refer to a citation in Bourinot's Parliamentary Procedure, fourth edition, at page 303, as follows:

> It is the practice in the House of Commons to bring up a question of privilege after prayers, and before the house has taken up the orders of the day. Only in very aggravated cases, requiring the immediate interposition of the house, will any business be suddenly interrupted.

The reason I allowed the item of the business of the house, which has just been called, to be interrupted is that the alleged question of privilege related to the calling of this item in view of what had been said earlier. That matter has been disposed of. If the hon. member asserts that his question of privilege relates to the immediate transaction, which is my seeing the hon. member for Moose Jaw-Lake Centre, then perhaps I should hear what his alleged question of privilege is; otherwise it is not relevant, and I leave it to him to determine whether or not he falls within that category.

Mr. Chevrier: I thank Your Honour for the manner in which you have dealt with the point which I attempted to raise. First I should like to draw Your Honour's attention to the fact that, notwithstanding what has taken place, you allowed the house leader to raise a question of privilege. I do not think the question of privilege has been satisfied by the amendment which the house leader has made. We have risen in this house today since the beginning of the sitting in order to defend and assert the rights of parliament; we have risen in this house, sir, in order to make quite sure that on a future occasion a situation such as this will not arise again.

Mr. Speaker: The hon. member's duty is to indicate wherein there is a new matter of privilege which requires immediate disposition. Unless he can do that I shall have to ask him to resume his seat.

Mr. Chevrier: It is the insinuation made by the house leader in his substitution of the words "delaying tactics" for the word "obstructionist", which is the new question of privilege. I say we have not delayed the house.

Mr. Speaker: Order. The hon. member has heard, as have other hon. members, the expression "delaying tactics" used from time to time. To my mind it does not raise a question of privilege and should not be advanced as such, certainly at this time. Therefore I cannot find a prima facie matter of privilege in what the hon. member for Laurier is asserting, and I must proceed with the proper order of business, which is to hear the hon. member for Moose Jaw-Lake Centre.

Mr. Chevrier: Well, sir—

Mr. Speaker: Order. I am sorry, I shall have to ask the hon. member for Laurier to resume his seat.

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I want to thank you for giving me the floor after eight attempts to break through the delaying tactics of the Liberal members of parliament.

Mr. Speaker: Order. Perhaps the hon. member has not referred to the rules of order today; I am sure everybody else has. But might I remind him that it is quite irrelevant to make statements of that kind, and if they are provocative they only involve the house in controversy which is quite out of order.

Mr. Pascoe: Mr. Speaker, I just want to point out that I have been waiting for two hours—

Mr. Pickersgill: Mr. Speaker, I am rising on a point of order. The hon. gentleman has stated that he has been waiting for two hours. The hon. gentleman surely did not have any privy knowledge that this matter was being called, and I am asking the Acting Prime Minister if he did.

Mr. Speaker: Order. Really the hon. member for Bonavista-Twillingate is rising to contradict, not on a point of order. I trust the hon. member will allow the procedure to take its course in accordance with the rules.

Mr. Pickersgill: No, sir; I am raising a question of privilege. The hon. member for Moose Jaw-Lake Centre has just made the statement to Your Honour that for the last two hours he knew this order was to be called. I ask the Acting Prime Minister whether there was some secret understanding that this order would be called.

Mr. Speaker: Order.

Mr. Pascoe: If I may answer the hon. member for Bonavista-Twillingate, I adjourned this debate; therefore I was prepared to start in, no matter when it came up.

I was amazed this morning at the suggestion from the Liberal members that the bill before us was controversial. I would have thought that because of its importance to agriculture it would have received the unanimous support of all hon. members. As a western member and representing one of the best farming areas in all Canada, I am happy to have the opportunity to support Bill No. C-77, to provide for the rehabilitation of agricultural lands and the development of rural areas in Canada.

Other members have spoken on this measure and have outlined its general principles. I need not repeat those statements, but I do wish to reiterate their remarks about our very able and energetic Minister of Agriculture and add to the congratulations extended to him for the good work he is doing on behalf of agriculture and Canadian farmers. The recent announcement by the minister of the three year agreement with China for the sale of grain to the value of $425,600,000 emphasizes that these congratulations are merited. As he stated, these sales of grain will be of great benefit to the Canadian economy through increased farm income and higher employment.

All Canada welcomes this announcement. I should like to draw these remarks to the attention of the hon. member for Assiniboia. I was amazed at his attack in the house on this agreement. I asked him at that time if he was speaking for the New party or personally and he did not answer me. Perhaps he will answer later.

In extending congratulations to the Minister of Agriculture I do not want to minimize in any way the fine work of his predecessor in initiating long range government farm policies that are now beginning to have a very noticeable effect. In Bill No. C-77 the present minister is continuing these long range measures of the government.

One of the valuable contributions the minister is making toward greater understanding of the government's farm policy is the heavy program of personal visits to all parts of Canada that he has undertaken. He has had great success in explaining what the government is attempting to do, and is doing for the farmers. I know the farmers in my area appreciate the minister's very clear outline of the policies of his department. One of his first public addresses after assuming his new portfolio was in Moose Jaw, where he spoke to 200 or more practical farmers and a large number of businessmen. The theme of his address was along the lines of what is contained in Bill No. C-77, the need for the active interest and co-operation of businessmen and all non-farm groups to help to bolster farm income for the benefit of all segments of the economy.

As I said, his Moose Jaw address was one of the minister's first speeches outlining his ideas as to what must be done for agriculture. It was one of his first direct references to the legislation respecting agricultural rehabilitation and development envisaged by the bill before us. When the bill is passed it will embody the minister's great hope of having the federal government, the provincial governments and all interested groups and individuals work together to improve the income position of Canadian farmers, for the benefit of all.

I have had considerable correspondence with farmers in my constituency of Moose Jaw-Lake Centre since the minister's address in Moose Jaw. These letters show that the farmers in my area, a predominantly wheat growing district, are thinking very seriously about their situation. I believe they see what

the federal government is doing for them, and understand what is involved in Bill No. C-77. I received a letter recently from a prominent farmer in my constituency, and I took the liberty of sending his comments to the minister. I think they will encourage the minister to continue along the lines the government is now following.

The writer of the letter is Mr. Wilfred McKenzie of Belbeck, Saskatchewan, which is north of Moose Jaw. Mr. McKenzie has always taken a very active interest in farm programs. He succeeded me as chairman of the agricultural committee of the Moose Jaw chamber of commerce, and in this position is a direct link between the farmers and the city businessmen. In his letter Mr. McKenzie made these comments, among others:

> It would appear that the problems of agriculture are not getting any less, but I am wondering if the time is not fast approaching when almost everything else but agriculture will be the problem. It could be that agriculture has probably stayed the closest to the right perspective and most everything else has been on the rampage and will find it the more difficult to level out. I would think that so far as the world economy is concerned agriculture has been more in line, with the result the adjustment may eventually fall the hardest on industry.
>
> If agriculture would hold the line and not try to go forward at this time, it might not be too long before it will be the front line and also the line that Canada will badly need to fall back on, especially for the labour force. It might be a good idea if we all took a long look backward and then look forward with a realistic view dominating our idealistic view.

I think these views support the principle of Bill No. C-77. They are the views of a very practical farmer. I am glad to have the opportunity to bring them to the attention of the minister and the members of the house. I was impressed by Mr. McKenzie's proposal that we look forward. This forward look is exactly what the A.R.D.A., when passed, will undertake.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Pascoe: When the debate on Bill No. C-77 was adjourned at one o'clock, Mr. Speaker, I was referring to a letter from Mr. McKenzie in my constituency who stated that a realistic, forward look should be taken at agriculture. I want to emphasize my earlier statement that this bill will help us take that realistic, forward look. If such a look had been taken by the former government, if the Liberals had looked ahead realistically during the 22 years they were in power, they would not have left so many farm problems on the doorstep of this government, problems which this government is solving and which this legislation will help to solve.

I have received comments from other farmers in the same vein as the views expressed by Mr. McKenzie. In this connection, there is an interesting report in the Nokomis *Times* of March 1 relating to an agricultural meeting in Strasbourg in my constituency, attended by a large, representative group of farmers. The subject of the main address was, "What's New in Agriculture". The speaker emphasized the growing impact of science on farm practices. He said that while many farmers are putting new knowledge into practice and profiting thereby, others have been slow to take advantage of this new knowledge. To make the best use of their acreage and the most profit from crops, livestock and other ventures, he stated, farmers must keep posted on new developments. The speaker expressed the hope that farmers would make the widest possible use of all available information and advice to reduce farm waste to a minimum and thus improve production efficiency.

Mr. McIlraith: Mr. Speaker, I rise on a point of order. If I understood the hon. gentleman correctly, he is quoting from two letters he has received. I believe it is in order for him to table those letters if he proposes to quote extensively from them as he appears to be doing.

Mr. Pascoe: Mr. Speaker, one is a letter and one is a quotation from a newspaper. I could table both if that is Your Honour's wish.

Mr. Speaker: If the hon. member quotes a letter, it is customary to put it in the possession of the house and indicate the name of the author.

Mr. Pascoe: I have indicated the name of the author. I would be pleased to table the letter. I should like to conclude my reference to this newspaper report. The speaker warned that prairie soils are showing evidence of depleted soil fertility. Here is one of his direct statements:

> Improper use of our land has ruined or seriously damaged an estimated 13 million acres.

This bill, No. C-77, Mr. Speaker, is an answer to this serious problem. It is interesting to note that it was a Conservative government that took the first step along the lines of the provisions contained in this bill. This fact is indicated in an article in the Lumsden weekly from my constituency under the heading "How federal rehabilitation efforts have

aided agriculture in the past and will provide further assistance in the future". I quote from that article:

> Thirty years ago a worried federal government undertook a rather drastic course of action to assist agriculture in western Canada to fight its way out of a depression that was aggravated by drought, erosion, insects and disease.
>
> Today, another government stands on the threshold of yet another program of assistance to agriculture—and there are similarities.
>
> The first program introduced through the Prairie Farm Rehabilitation Act, took direct action toward rehabilitating thousands of desolated acres in the west. It also worked indirectly, teaching by example at many experimental farms and substations.

The article states, at another point:

> Vigorous rehabilitation measures changed the picture.

The article then concludes as follows:

> In the same way, the new redevelopment program about to be launched will undoubtedly move agriculture up several more rungs in the ladder of success.

I think I should add to the article this statement made by the Minister of Agriculture when he moved the resolution preceding this measure on January 25. Here is what he said at that time as reported on page 1403 of *Hansard*:

> Mr. Chairman, in moving the adoption of this resolution I do so with the full realization that it will constitute a major step forward in fulfilling our national agricultural program presented to the house on August 30, 1958, by the Prime Minister.

I want to commend the minister and his department for the production of this little pamphlet "ARDA". I should like to draw the attention of the house to the outline on the back page which refers to the percentage of farms, by provinces, having an annual potential production of less than $1,200. For Canada as a whole, this outline shows 21 per cent of the farmers have an annual income of less than $1,200. Saskatchewan has the best record with only 4 per cent of its farmers with annual incomes of less than $1,200.

I should also like to put on record a statement by the minister under the heading "Reduction of Farms Not Purpose of A.R.D.A." Here is his statement:

> It is not the purpose of A.R.D.A. to reduce the number of farms . . . A.R.D.A. is designed, rather, to help by various means to improve the income and standard of living of the smaller and more marginal farms, and in that way help improve the over-all position of agriculture.

In an address to the Canadian Federation of Agriculture the minister suggested that everyone associated with the farming business should dedicate the next few years to an objective assessment of where we stand and where we are going. That is what the federal government is attempting to do by this legislation.

Marginal Lands Development

I have here a clipping from the *Western Producer* of January 26, 1961, reporting a statement by Dr. H. H. Hannam, president of the Canadian Federation of Agriculture. Dr. Hannam says that the federation for years has been urging the type of program envisaged in this bill. He added that farmers will be faced with a major challenge to their imagination when the act comes into effect, because it will open up broad opportunities for action in the fields of soil and water conservation, land use development and rural economic development in general. He concluded that farmers will have a responsibility along with governments to see that the legislation is used effectively and extensively.

In this regard there are some interesting statements in volume No. 8 of the proceedings of the special committee of the other place on land use in Canada, April 26 and April 27. As found at page 204, Mr. Ross Hill, executive director of the Canadian Federation of Agriculture states:

> I wish to point out that whatever a farmer produces comes from the land in some form, and therefore all the social and economic changes through the years have been dependent on the manner in which our land resources have been managed. There is every reason to believe that even greater emphasis will be placed on land use and land values in the future, because of the evolution which has taken place in our industry.

As found at page 209 Dr. C. C. Spence, economics division, Canadian Department of Agriculture, Edmonton, Alberta, under the heading of "Irrigation in Canada and its Impact on Agriculture" states:

> From the irrigation experience in Canada as related it is obvious that any estimates as to the acreage which should be developed in irrigation and its location in the future could be very far off without careful and co-ordinating studies of water supply, engineering, efficiency in use of water, land, climate, markets and even human attitudes.

These statements repeat what has already been said about the realistic forward look for agriculture that the minister proposes to undertake under the terms of this bill. I wish to emphasize the need for co-operation from the provincial governments in this rehabilitation program; and because I come from Saskatchewan I make this appeal for co-operation directly to the Saskatchewan government. As the minister has pointed out, one of the key points in this legislation will be the widest possible participation not only by farmers but by every group in our rural communities. Agricultural rehabilitation and development calls for the combined enterprise of governments, groups and individuals. This bill will help farmers help themselves. It will also bring other segments of our economy into the battle for a more stabilized

agricultural industry. The farmers need and will welcome this co-ordinated help.

If I may conclude with another brief reference to the China wheat deal which is part and parcel of the better days for agriculture envisaged by the bill, I wish to assure the Minister of Agriculture that I have already received from constituents letters commending him on his efforts to sell more wheat than has been sold in many years, with the prospects of still greater sales. Again may I say that I am happy to support this bill.

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I rise at this time in order to add a few words to the discussion which has already been lengthy on this A.R.D.A. bill. I do so at this time because I have 6,000 farmers in my riding. I have heard words of commendation from every source, from groups and from individual farmers, by correspondence, as to the high regard they have for this bill which we hope will soon be enacted.

I now wish to take up one or two points which this bill seeks to accomplish. The first objective is to get at marginal and low productivity land. What is envisaged is to have an instrument of human making to get at, in an economic and physical way, the adjustments to which marginal and low productivity land are subject and which often take so many years to work out. During that long waiting period when these adjustments are working out, the farmers are run through the wringer because of low income and because of the lack of any policy to assist them to make an adjustment.

This bill seeks to provide the farmers with an act which will assist them in making these adjustments. In other words, as was stated by the hon. member who has just spoken, it will assist the farmer to help himself. I wish to say that, judging from previous experience, we shall have some difficulties in administering this act. There will be many discussions among the farmers on the question of marginal lands, for example. Let us take a moment in order to discuss that matter. What do we mean by marginal land? For what reason is it marginal? It may be marginal because it is of low productivity, or because of the frost free period of the locality in which the land is situated. It may be marginal because of the lack of rainfall or because of the location of the land. You might also add that it may be marginal because of the type of managerial policy of the person who is operating it. You can now add up the items in that list. All of them add up to what we mean in economic terms as the causes of marginal land.

If a piece of land is marginal in its present use, the thought behind this legislation is to see what can be done to improve its productivity and use, and at the same time take care of the farmers who are at present engaged in farming such land.

What is needed is the development of income and employment opportunities for rural and agricultural people. In many areas the size of the business unit is too small. Where possible we should combine some of these units and change the type of use to a more extensive one, or it may go the other way, to a more intensified type of use. In this way by planning and by a program of action we could bring about a higher income for farmers and a more profitable use of the land.

In addition to that it should be pointed out that you cannot isolate any one problem in an area, treat it by itself and completely neglect all the other. You have to think about new industries, supplementary industries and the development of other means of earning an income, or at least a supplementary income, for those farmers who are operating on small units.

At Fort MacLeod we have just completed one of the finest pieces of industrial development that I think has come about in southwestern Alberta in the past decade or more. The old airport there was sold to the town of Fort MacLeod and they have set about to develop industry and move industries into each of the hangars. At the present time a new industry has moved in from Estevan, Saskatchewan, and is employing approximately 65 people. Another is moving in to start up a plywood plant which will employ 50 people. This industry will be shipping raw materials in from the Crowsnest pass and eastern British Columbia. There are two other industries which I do not care to mention, which are seriously considering moving in.

The present situation is that this town has within the last three months increased its population by at least 500 people, and it may even increase it by 1,000 people. This has been done by developing supplementary industries which might have gone by the board had the authorities not moved in the right direction.

It is this type of planning which must be done by local communities. This type of planning has already been done by the people of Fort MacLeod, who have demonstrated that it can be done.

We are now in the midst of undertaking a similar transfer of the Claresholm airport to the town of Claresholm or perhaps to the municipal district of Willow Creek if arrangements can be made. In other words, in all these communities we are hoping to obtain

local development and at the same time assist marginal farmers and low income farmers to supplement their incomes.

There is one other point I should like to mention in connection with this broad, general program introduced by the Minister of Agriculture (Mr. Hamilton). I refer to the conservation of soil and water. One has only to study the history of China to see that down through the ages the loss of soil there has almost ruined certain sections of the country. We also find in that study that these people have made efforts over past hundreds of years to maintain the fertility of their soil. They have put organic matter back into the soil; they have never lost an opportunity to add fertility or to till the soil in such a manner as to maintain its fertility. However, in spite of their efforts they have suffered a tremendous amount of soil erosion and in many, many cases the loss of a high percentage of the topsoil.

One has only to go to the prairie provinces to see this illustrated. One has only to look at the farmers who are farming land up and down these hills, and then take another look at these areas following a heavy rainfall. You find that the hillsides have been gullied and tremendous quantities of topsoil have been washed off, never to be returned. It is plowing on the contour, farming these lands on the contour, the seeding of grasses, rotation of crops, restoration of fibre and the fertility of the soil which are problems with which the practical farmer must grapple. These are the problems to which this particular program must give attention and assist the farmer to overcome.

In other words, it often happens that the financial resources of an individual farmer are insufficient for him to do the things he would like to do. It is therefore hoped that this program will come in time and give every possible assistance to help bring about adjustments in the farming pattern of the land. This program will cost in the neighbourhood of $300 million to $600 million spread over the next decade. I wish to say that it is the best way in which this or any other government could spend money in helping to bring about these land use adjustments in agriculture; that is, to maintain the fertility of the soil and the economic use of the water that falls as related to the production of food, which of course is of tremendous interest to us all.

If a country loses the fertility of its soils—and one has only to study what has happened in the past ages where the fertility of soil has been lost—you will find the people in the affected areas perish. This has been the pattern in the past.

Marginal Lands Development

Therefore we in Canada must take a hard look at what we are doing with our soils. I have only to refer to the experience of farmers in my area, and in fact to my experience on our own farm, which has been farmed for some 40 or 50 years, to illustrate my point. The fertility of the soil is going down; hilltops become more exposed, rocks are showing and the productivity of the land at those spots is becoming depleted.

In other words, unless we change our methods and assist farmers to change their methods in order to bring about a better use of soil and a better use of our resources, the day will come when we will have no topsoil and everybody in society will suffer. Therefore this legislation strikes right at the very heart of everybody's vested interests in that it deals with maintaining the fertility of the soil.

Changes will be needed in this legislation as time goes by. It will need amendments and it will go through a process of evolution based on experience. But there is nothing wrong with that; that is the very thing that should happen.

I should like to refer to an article appearing in the Ottawa *Journal* of Thursday, May 4, 1961 under the heading "Mr. Pearson hides his light under 275,800,000 bushels". This was an editorial which appeared in that edition of the paper regarding the statement made by the Minister of Agriculture in the house concerning the sale of wheat to China. I should like to say that I was present at the time and I consider the minister's statement to be one of the most profound I have heard in many years. Speaking on behalf of the farmers, particularly in my area, I may say they are exuberant over this announcement.

I was very much disturbed by the attitude of the Leader of the Opposition (Mr. Pearson) and I should have thought he in turn would have lent his wholehearted support to this move and refrained from casting doubt for political purposes.

When one travels around the country one is impressed with the fact that this wheat agreement is of tremendous significance and usefulness to Canada's wheat trade and to the present economic situation generally. Whether one views this move in terms of agriculture, prairie farm conditions, railway freight or port activity, unemployment, or even a general boom in business, this projected sale will be of tremendous benefit to Canada's economy as a whole. I want to compliment the Minister of Agriculture in this regard on behalf of the 6,000 farmers in my riding who are so well pleased with what has been accomplished.

In conclusion, I should like to suggest that the bill now before us should receive the

heartiest endorsation by this house because the people want this A.R.D.A. legislation and it is needed for the future national development of Canada.

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, this is the first opportunity I have had of speaking on a Saturday afternoon in this session, and I must say that I find it delightful. I rise at this time to make a few remarks in explanation of several matters involved in our program of rehabilitation of agricultural land as it affects the area in my constituency.

The members of my party feel very pleased with this bill, as I am sure the minister does. The majority of hon. members in the opposition seem to feel the proposed bill is good, although they have perhaps not directly said so. We feel this is the logical continuation of agricultural programs such as the Agricultural Stabilization Act and the Farm Credit Act as well as perhaps the Crop Insurance Act.

As one hon. member of the opposition has said, this measure will not cure unemployment at the present time. Of course, it will not be of tremendous immediate value in regard to unemployment, and I doubt if it was designed for that purpose. However, in the long term view there is no question that it will be of benefit to our employment situation. It will have a tremendous effect on planning for the future of Canadians. This bill has been designed with a view to finding alternative uses for land which is submarginal or of low productivity in order to improve the economic role of those individuals on the land.

In my own constituency there are three great valleys, the Okanagan, the Kettle and the Similkameen. The Kettle valley is referred to as the sunshine valley in the Grand Forks area. One often wonders how far the government should go in respect of a project of this nature, and how much the progress should depend upon self-help. I have always advocated the principle that the government should not interfere too much, and I hope that this proposed act will be interpreted in that fashion. I hope the results of this measure will develop through co-operation between the governments and farm organizations. I would suggest that the farmers' problems should be forwarded to the government organizations for complete consideration before any drastic action is taken. This is my understanding of how it will be carried out.

In my area there has existed a great amount of what I term self-help. We have tackled our problem with hammer and tongs. We originally had a large ranching area but as a result of irrigation the area has developed to the point that it is now referred to as the garden of Eden. We have had many problems which have been resolved through our own efforts. I was pleased that the hon. member for Macleod (Mr. Kindt) mentioned that which constitutes marginal land, and explained why this land which was previously good land has now lost its value. In our area there have been many causes in this respect, particularly regarding the fruit industry. One change has come about because of the change in consumer tastes. This change necessitated a change in the industry. This in itself presents a problem because in the fruit growing business one does not plant and harvest annually. As an example of this, let me point out that apple trees are planted and following a period of some ten years the fruit is harvested. The period of time involved in this process in respect of soft fruit is perhaps less, but this is the type of situation individuals in a fruit growing area must overcome.

In the Okanagan valley an attempt had been made to grow tobacco. In Oxford county there existed submarginal land and, it was wondered how the farmers would survive. Tobacco growing was introduced and it is significant that in that area today, since tobacco has become a crop, the farmers have taken tremendous strides forward. I understand the value of the tobacco crop in this area will run as high as $115 million this year. A tremendous portion of this money will return to the farmers. I cite this as an example of new usage of land.

Many things other than the change in consumer tastes have forced changes, such as the increase in competition for existing markets. This increase in competition has had a great effect upon the vegetable and fruit growing markets of the Okanagan. Shippers in the Okanagan are also faced with very high freight rates as a result of the distance to their markets. As a result of this distance the quality of our fruit has had to be improved, as of course it has, in order that the growers could survive in present day competitions for these markets in Canada.

Much of the land has been changed in regard to use in the Okanagan valley which, because of its climate and location, lends itself to the tourist industry. Some of the better growing land there has now been used for the establishment of motor courts. For my part I regret seeing this land turned into motor court areas. I have always felt that submarginal land should be used for this purpose rather than the fertile fruit growing land.

I would like to mention two other crops developed in my area. The first is the grape crop which, in the Okanagan valley and elsewhere in that area, is coming into being.

Wineries are being developed and are progressing successfully, and there are additional plans in existence to further this operation. I hope this experiment will be successful because there has been a lot of time and money invested.

The other crop I wish to mention is the tomato crop. There has been a decline in the growing of tomatoes in my area, and again there are many reasons for this decline. I would suggest the first reason is the increase in competition. I might say that up until 1956 we enjoyed rather a good tariff. For some reason or other, in 1956 the tariff was removed from tomatoes and consequently since that time we have suffered heavily as a result of paste and all forms of tomato goods being imported into Canada. I am not asking that the tariff be restored but consideration should be given to this and if the industry asks for it I will go after it.

I might mention the dominion experimental farm at Summerland, since this has to do with conservation and better use of soil. The farm at Summerland has done more than its fair share, as far as my area is concerned. This is particularly true when one considers the recent development of a new strain of tomatoes that will meet competition. They stand up well, can well and give a higher yield per acre.

As far as fruit is concerned, the experimental farm has been a leader all down the line in the development of new and suitable varieties for the Okanagan. This is also true in connection with pest control. Here they have been a leader and the growers of fruit throughout the valley take off their hats to those people who make up the staff of the dominion experimental farm. They are a devoted crew. I know that the thanks of the whole of the Okanagan goes out to them.

I said I had several main points that I wanted to bring up apart from the generalities I have just mentioned. My main points today are more or less twofold. They arise out of clause 4 of the bill. I do not know how far one can go in discussing this but let me say that we may expect the development and conservation of water supplies for agricultural purposes, soil improvement and conservation. We have had the problem of water supply for many years. The Okanagan and other valleys, apart from ranching, were of little use for agriculture until the advent of the irrigation system. We have had many irrigation projects. It is worth noting that as time has gone on replacement has had to take place in quite a number of irrigation systems. This is an expensive item. Consequently, I should like to see the government help in one way or another under this conservation bill in the use of water for farm irrigation purposes. There is no question but that the land itself cannot stand the additional charges occasioned by the replacement of all the major pipe lines and the control systems which have to go with them. This puts far too great a charge on the land.

As to the second point, soil improvement and conservation, I am looking mainly at conservation here. We have three valleys, namely the Similkameen through which the Similkameen river flows, the Okanagan, through which the Okanagan system flows, and the Kettle valley, which has the Kettle river. On the Okanagan river the provincial government, in conjunction with the federal government, on a 50-50 basis, has developed the Okanagan by water steps and by a damming system, and they have now so confined the river that there is very little overflowing and very little danger of flooding. Consequently, they have made it much easier for the farmers and ranchers situated along the river to plan ahead. They have also reclaimed many acres which are going to provide another source of land usage in the Okanagan, although they have not yet been put on the market. Of course, this will have a great benefit so far as the valley is concerned.

My reason for mentioning the Okanagan is that it did not require this legislation to do this work. This was a logical development. Action was taken, and more is planned. The Okanagan river itself is a smooth flowing system. It rises in the Okanagan lakes and, compared with other rivers, there is very little drop before it passes from Canada at Osoyoos into the United States across the border. It forms part of the Columbia system. On the other hand, in so far as erosion and soil conservation are concerned, the two rivers about which I should like to say something are first the Similkameen and second the Kettle, although not necessarily in that order. To my mind these two rivers are worth watching. Compared with the Okanagan, these rivers have a high rate of flow. In the spring they flow out to such an extent that the river becomes a danger to the lands along the banks. Each year some of the arable farmland disappears. Some farmers along the river banks have suffered grievously. They have lost everything. In other words, the river will take a swing and create havoc. If at all possible, we should have some form of control, some form of diking, or a dam, which will keep the river in a better temper.

Representations have been made by the United States counterparts on the Columbia river development. They have asked that the Similkameen be controlled. They have their reasons for that. Of course, they would like to put in power dams south of the border. A dam on the river would flood a considerable

area in this part of Canada. To provide an even flow it is suggested that further dams should be erected. Just what effect this would have in Canada I do not know. I do not want to see any of our land flooded. I feel any control would have to be done by a series of stages up the river.

This is a river in which the government ought to be interested, particularly the Department of Veterans Affairs. There is a Veterans' Land Act project at Cawston which has a pumping station situated on the bank of the Similkameen and each year when the water is high there is a good cause for fear. Without water, as hon. members know, we will lose our trees. There is no question about it, the rainfall is not sufficient there. We must have irrigation. Therefore, I say the farmers look upon the recurrence of flooding with a great deal of fear.

Just recently I received another letter from the Cawston board of trade asking that I look into this and see whether something could not be done. If and when this legislation is enacted I ask that an inspection and a report be made on the river.

These are just two phases of various aspects of power, irrigation and control of the river, and we welcome any assistance which will aid the farmer along the way.

The same thing applies to the Kettle river. The Kettle has a more even temperament, a more even flow, than the Similkameen, but still it has the habit of taking great bites out of the land, and to my mind this is something which should be controlled. I need only say that in these mountain valleys it is important if possible to preserve that which we have. Soil is one thing, and I feel that we should go all out if possible and in the general interest do everything that we can to preserve our arable land.

When this legislation is passed I would ask that a survey be made of the Kettle river and all of its facets. We should decide whether it is possible to go ahead with some form or measure of control on this river to the end that we shall provide a better deal for all the farmers in the valley itself.

I was rather glad to hear the hon. member for Moose Jaw-Lake Centre (Mr. Pascoe) refer to the question of co-operation between governments. I know that when he spoke that way he also meant farm government, in other words, all farm organizations. This is essential, of course, and it is stated quite clearly in the provisions of the bill that the federal government is not going to do it by itself but in conjunction with the provincial governments which, of course, is the way it should be done. As I mentioned in the earlier part of my speech, it is absolutely essential that we do not get too much government control but that, bearing in mind conservation and control of land use, all these various departments should work together in what are considered the best interests of all so that as a result we will have better use of our lands.

(Translation):

Mr. Aristide Rompre (Portneuf): Mr. Speaker, it is my duty in the circumstances to join previous speakers in expressing my great satisfaction to the Minister of Agriculture (Mr. Hamilton) for Bill No. C-77 now under discussion. The purpose of this bill is to empower the government to implement, in co-operation with the provinces, a policy for the rehabilitation of lands that are marginal or of low productivity.

When I spoke for the first time in this house during the budget debate, on June 26, 1958, I felt it was of great importance to bring this problem to the government's attention. In fact, as reported on page 1665 of *Hansard* in volume II for the session of 1958 I said this:

> There are in my constituency a few communities where farms are not favoured with a loamy and very productive soil. Although I am no expert in this field, I nevertheless wish to refer to some suggestions made to me by several owners of such farms, to the effect that a grant for the claying of their land would be of great help since it would contribute to increase productivity and help them derive a better income from this land.

And I went on to say:

> There is in Portneuf a provincial forestry school where, each year, sons of farmers follow seasonal classes. I feel that it would be wise to encourage by grants the reforestation of some parts of the unproductive farms, as this would create a substantial asset for the coming generation.

May I also bring to the attention of the minister, in order to stress the importance of this legislation, extracts from a lecture delivered before the chamber of commerce and the Kiwanis club of the constituency of Portneuf by Mr. Armand Fafard, forestry engineer with the forestry information bureau of the Quebec department of lands and forests. His duties are to visit the farms and farm woodlots where farmers wish to practice reforestation and to give farmers valuable advice about reforestation schemes or a more economical operation of farm woodlots.

In these circumstances I want to commend Mr. Fafard for the wonderful job he has done in the constituency of Portneuf where quite a number of farm plots call for rehabilitation through reforestation.

According to statistics I obtained from Mr. Fafard, 309 farm owners have planted 1,270,925 seedlings since 1946. This month 114 farm owners of that constituency will be planting 315,000 seedlings.

I should like to add that a few communities in my riding have taken a special interest in this reforestation policy and to mention the most important of them. For example, in the parish of Notre-Dame-des-Anges, since 1946, 351,500 seedlings were planted on 108 plantations; in St. Basile, 177,355 seedlings were planted, on 115 plantations; in Pont Rouge, 165,100 seedlings, on 82 plantations; in St. Raymond, 103,050 seedlings on 48 plantations, and in St. Ubald, where I live, 109,975 seedlings on 72 plantations. May I add that most of the communities in my riding have taken advantage of this policy.

I would also like to quote a few of the statements made by Mr. Fafard in a speech delivered before the members of the Kiwanis club and of the chamber of commerce.

The function of that office—the one referred to—which could also be called a forestry publicity service, is to encourage all woodlot owners to operate their woodlots successfully, to make owners more aware of the importance of the forest in the national, regional and domestic economy, to make them love and respect trees, to convince them that the forest, like farming land, must be attended to and improved, so that its products may gain in volume and value; in a word, its function is to teach the woodlot farmer about forestry, to provide him with such technical assistance he may need in the development of his woodlot or maple bush, in his reforestration operations and also in marketing his wood products.

And further:

We believe that, in the near future, the area of private woodlots will be extended considerably, because large areas, formerly used for agriculture, are no longer considered profitable. On these pieces of land, the natural growth is rather good when there are seed-trees in close proximity. Elsewhere, reforestation is a must.

I could thus go on reading these extracts to prove how important it is to concern ourselves with this problem of the reforestation of our farms.

Here are a few excerpts, Mr. Speaker, from an interview given by Mr. Fafard following his conference. The questions were put by an expert in the field:

Mr. Maheux: Mr. Fafard are farmers generally interested in rehabilitating areas of their farms which have become marginal?

Mr. Fafard: There is no doubt about it judging by the applications. There are more of them from year to year. Are you aware that since 1942 the "Bureau des Renseignements forestiers" (Forest Information Bureau) has dealt with more than 7,000 reforestation projects and that over 15 million young trees have been planted on farms?

Mr. Maheux: A very good start. In your opinion, Mr. Fafard, is the demand for plants going to level off or increase over several years?

Mr. Fafard: I am sure it will. Agriculture is changing and many marginal lands will be given up. Non-productive land is a liability to the province. As a case in point, Mr. Maheux, may I say that sometimes the soil is so exhausted that reforestation cannot be planned before it has been regenerated?

Mr. Maheux: Are those who have done reforestation since 1952 satisfied?

Mr. Fafard: I would say that people who have done reforestation some 15 or 20 years ago are our best boosters. Their neighbours, convinced by that successful planting, now also want to make all of their plots of land productive.

Mr. Maheux: Incidentally, Mr. Fafard, are planters really aware that reforestation is a long term investment?

Mr. Fafard: Certainly, and we congratulate them on providing for the future of those who will replace them. Besides, most of them are proud to show us around their plantation.

Mr. Speaker, like Mr. Fafard, I should also like to congratulate those who took to reforestation in the Portneuf riding, as several of them are over 60 years old and will certainly not see the results of their planting. On the other hand, they are citizens who have the next generation in mind and who will be quite delighted to hand down such a legacy to their successors.

I believe this policy will serve a double purpose in my riding because, in the light of a statement made by the chairman of the Canadian Pulp and Paper Association, there will be a growing demand for raw materials in this field in the future. In fact, at the 47th annual convention of the Canadian Pulp and Paper Association, Mr. R. M. Fowler stated:

In his report to the Canadian Pulp and Paper Association meeting in Montreal at their 47th annual convention, the chairman of the association, Mr. R. M. Fowler, pointed out that productivity, in the pulp and paper industry, the largest export industry in Canada, had gone up almost 50 per cent since 1949.

Canadian production potential, last year, was 90,000 tons more than in 1959. In 1959 and 1958, the increase in production had reached 282,000 and 483,000 tons respectively.

Mr. Speaker, this is an industry which is very important to the economy of my riding, where many pulp and paper companies are located. Among them, there is the Building Products Ltd. at Pont-Rouge, whose workers are now on strike. Here may I express my sympathy to those workers, as they have been on strike since September.

There is also the Donnacona Paper Corporation, at Donnacona, the J. Ford and Co., at Portneuf, the St. Raymond Paper, at Chute-Panet, the World Plywood Veneer, at St. Casimir, and the Precision Panels Inc., at St. Basile. The yearly payrolls of those industries in Portneuf county amount to $6,796,000.

In the lumber industry, the payroll amounts to $449,575.

In addition, the coal industry also contributes to the economy of Portneuf county.

It is therefore very important that we take some interest in those industries, because we can expect increased production in this field. If we want the economy to remain buoyant and if we want those companies to be in a position to obtain their materials from their present suppliers, we have to take an interest in the development of those industries.

I am glad to have had an opportunity to participate in this debate and I trust the people of Portneuf constituency will derive benefits from this bill.

For the information of Quebec farmers, I want to point out that many of them may not be aware of the existence of a provincial act which provides protection for those who engage in reforestation against any increase in municipal taxes. Here are a few excerpts of a pamphlet dealing with section 164 of this act:

I. Who can benefit from section 164?

A person who plants a few hundred or a few thousand trees on his woodlot to complement natural regeneration; or a person who reforests a fraction of an acre of cleared land runs little risk of having his assessment raised as a result of his reforestation activities. On the other hand, any person planning to reforest cleared land over an area of an acre or more should avail himself of section 164. Assessors may, in preparing an assessment roll, ignore the fact that a portion of the property to be assessed is now covered with seedlings; however, there is no guarantee that they will in 10, 15 or 25 years hence, fail to take into account the promising stand that has grown from those seedlings. It is therefore wise to look to the future.

II. What is required to enjoy the benefits of section 164?

A land owner who decides to reforest a particular area of his property need only, to avail himself of section 164, send notice in writing, before starting the work, to the secretary-treasurer of the municipality wherein is located the cadastral lot on which he plans to carry out reforestation, to the effect that he plans to reforest so many acres on the said lot and wishes to avail himself of section 164 of the Forests and Lands Act.

It is therefore most important that those interested in reforestation be aware of the benefits available under the act.

Mr. Speaker, I thank the hon. members for allowing me to make these few remarks, and I again thank the minister for introducing a bill which will certainly benefit the citizens of the constituency of Portneuf.

(Text):

Mr. Richard A. Bell (Carleton): Mr. Speaker, this has been an interesting and useful debate. Indeed, during this session no more important legislation will be debated than this bill introduced by my distinguished constituent, the Minister of Agriculture (Mr. Hamilton). For eastern Ontario, sir, and for my own county of Carleton in particular, this bill will be of basic and long range significance. I believe it will exert a profound influence upon our whole agricultural future.

For many years, I have believed, and in many speeches I have said, that fundamental to any long range, rational approach to the relief of agricultural problems is the institution of a genuine national soil and water conservation program. Accordingly, sir, I welcome wholeheartedly this measure designed for the achievement of such a program.

Essential to the success of any such program is that it be a genuinely co-operative effort of government—federal, provincial and municipal—community organizations, groups and individuals. That co-operation this legislation, as I understand it, will seek to achieve.

Under this bill three types of projects are contemplated. First, there are projects for the alternative use of farm lands which are submarginal, marginal or of low productivity. This development of alternative uses may include the encouragement of farm woodlots, tree farming, county forests, and reversion into crown lands. By providing for more effective utilization of marginal farm lands these projects in the long range will provide new sources of income for people in the area and to the extent that they remove marginal lands from farm use will help to reduce farm surpluses.

In the December, 1960 news bulletin of the Canadian Federation of Agriculture I was interested to see quoted with approval an extract from a speech made as long ago as 1951 by one of the finest citizens eastern Ontario has ever produced. I refer to the late hon. member for Lanark, Dr. W. G. Blair, whose untimely death cut off his career at the threshold of its greatest opportunity. These were the words of Dr. Blair:

With the per unit margin of profit growing smaller with each passing month, soon none but the best farms will be able to provide a decent standard of living for a farm family. With the demand for lumber growing each year, and with our forest reserves being cut rapidly, now would appear to be the ideal time to urge upon the proper authorities the need for reforesting all marginal and submarginal land that is now under cultivation. This would assure wood products for generations to come, and should provide a natural coverage to control the water level and spring run-off.

Those words of Dr. Blair quoted with approval by the Canadian Federation of Agriculture were prophetic, demonstrating as they did Dr. Blair's vigorous support for conservation, reforestation and intelligent land use.

The second type of project under this particular legislation contemplates the development of new income and employment opportunities for rural areas. With very great interest I have read the evidence taken before the Senate committee on land use. That is a committee which has done a most excellent job. I refer to the evidence regarding the success in many parts of the United States of the rural rehabilitation program in attracting local industry, developing recreational facilities, extending technical training, and encouraging a genuine community effort of self-help. The emulation of that effort in eastern Ontario would be most helpful. What has been done in so many United States communities, we can do in eastern Ontario and elsewhere in Canada.

Finally, Mr. Speaker, this legislation contemplates joint projects with the provinces for the development and conservation of our water and soil resources. The introduction by the government of the late Right Hon. R. B. Bennett of the Prairie Farm Rehabilitation Act was an act of great constructive statesmanship. Under it large sums of public money have been expended to the great advantage of our western farmers and to the advantage of all Canada. In the maritimes, the Maritime Marshland Reclamation Act has been showing excellent results. In many of the valleys of old Ontario simply superlative conservation work is being done. This legislation heralds the placing of these programs of soil and water conservation on a truly national basis.

However, I believe it would be unfortunate if the house were to treat these projects as isolated ones insulated from other aspects of agricultural policy. In fact, the projects now proposed are an integral part of the whole agricultural program related directly to the fundamental issue of price stabilization, the problem of disposal of farm surpluses, the extension of adequate farm credit facilities and the provision of crop insurance.

Mr. Speaker, the objective of agricultural policy must be to establish and retain family-owned, family-sized farm units, but units of such size and efficiency that will enable the farm family to earn an income equivalent to that earned by those in other comparable vocations with comparable investment.

During the past 15 years, agriculture has experienced a virtual revolution in technology, farm methods and techniques. Agricultural scientists today are in general agreement that mechanization and other technological advances have rendered obsolete the traditional 100-acre unit of eastern Ontario except for highly specialized production. As one observes the extent of abandonment of farm lands in eastern Ontario—or the partial abandonment with owners running a few stockers and grazers and gaining their principal income from "off-farm" employment—the opinion of the technical agriculturalists appears to be confirmed. Yet there are still many small farm units in my county of Carleton which, under intensive cultivation and efficient management, are producing for their owners satisfactory returns and which give indication of continuing to do so.

In any consideration of agricultural policy we must never lose sight of the fact that the family-owned, family-operated farm is a social institution. Such a farm has a threefold significance. It is a business venture; it is a home; it is a way of life. Let it never be forgotten that the integrity of the farm home has been a basic reason for the strength of our Canadian nationhood.

In that most valuable study of Canadian agriculture entitled "Progress and Prospects of Canadian Agriculture" prepared by Dr. W. M. Drummond and Mr. William Mackenzie for the royal commission on economic prospects, there is at page 316 a discussion of the net income per farm by provinces, the study of which I would commend to all hon. members. The table appearing at that page shows that the 1951-55 average net farm income was $2,772, a very meagre return indeed for the farm family upon the invested capital and labour involved. This figure varies from a low of $963 in Nova Scotia to a high of $3,758 in Saskatchewan.

I confess that I was somewhat taken aback by the table which the Minister of Agriculture (Mr. Hamilton) placed on *Hansard* at page 1403 in presenting the resolution preceding the introduction of this bill. The table indicated that, according to the economic classification of farms in the 1956 census, 21 per cent of Canadian farms produced less than $1,200 worth of produce annually; that out of a total of 575,015 farms 120,242 produced less than $1,200. This is subsistence farming at its worst.

What unfortunately has happened in the older sections of Canada is that many farmers have made their living out of depreciation; depreciation of their soil resources, their buildings, their fences. Depreciation of their capital assets generally has provided the profit from which the farmers survived.

Marginal Lands Development

Many more farmers close to the urban areas above become increasingly dependent upon off-farm employment and earnings. On such a basis a healthy farm industry cannot be founded.

As a nation Canada has been the most profligate of all countries in her treatment of her greatest natural asset, the upper six inches of our soil. The depredations made upon those upper six inches is little short of appalling. We now see where that profligacy is leading us. We now recognize that we cannot afford longer to be so profligate with this greatest of all our natural assets, and this legislation constitutes an intelligent and courageous advance in meeting the problem of soil and water conservation.

Throughout Canada the last 15 years have brought about a major reorganization of farm businesses, including a reduction in the number of farms and an enlargement of the average size of farm. This process of consolidation has meant an increase in the need for capital for additional machines and larger inventories of producing livestock.

Technological processes have increased production per acre and per animal. The adjustment of agricultural production to the use of mechanical power and the application of new techniques of production has taken place with really astonishing rapidity, and has not only increased the volume of production per acre and per animal but has brought about a reduction in the labour force to only 70 per cent of the pre-war level.

A statistical analysis of farming in my own county of Carleton is both interesting and relevant. In 1951 there were 3,104 farms in the county of Carleton having a total acreage of 473,644 acres. By 1956, the latest date for which census statistics are available, the number of farms had declined to 2,743 with a total acreage of 444,509 acres. So in just five years 361 families had left the farm and 29,135 acres had been taken out of agricultural production. That trend has unfortunately continued at an accelerated pace.

In 1951 the average area per farm in Carleton county was 152.6 acres. By 1956 consolidation of holdings had raised the average acreage to 162.1 acres.

The statistics of the sizes of Carleton county farms are interesting. Of the 2,743 farms in 1956 there were 800 farms of less than 70 acres; these would be mostly market gardens supplying the city of Ottawa. There were 1,120 farms of between 70 and 130 acres; 679 farms of between 130 and 240 acres; 116 farms of between 240 acres and 400 acres; 24 farms of between 400 and 760 acres, and four farms of over 760 acres.

[Mr. Bell (Carleton).]

Mr. Speaker, the government of Ontario has recently published a most excellent booklet called "An economic survey of the eastern Ontario region", that region which we who live in it know colloquially as the golden triangle. To all hon. members I commend the reading of this interesting publication from which I have drawn my statistics, covering as it does the area from Kingston on the St. Lawrence through to the Quebec boundary and up the Ottawa river from the riding of my hon. friend from Glengarry-Prescott (Mr. Villeneuve) to the most northerly section of the riding of Renfrew North.

For eastern Ontario there is another aspect of this legislation to which I should draw attention. I believe this proposed legislation should have an especially profound effect in the national capital region. One of the objectives of the national capital plan has been to provide a balanced urban-rural development in this area on both sides of the Ottawa river. The acquiring of the Gatineau park on the Quebec shore and the institution of a green belt on the Ontario side are basically designed for that purpose.

Within the green belt it is essential that proper conservation techniques should be employed; measures of the type envisaged by this legislation, reforestation of the submarginal lands, control of erosion, control of water resources, scientific development and utilization of the productive lands. This is essential, and it is essential now, unless the green belt is to become a weed belt, which the people of Canada would never tolerate.

Outside the green belt, in Carleton and in the constituency of my hon. friend from Russell (Mr. Tardif), the provisions of this legislation have special significance. A balanced rural development, with new population concentrated into properly planned hamlets, is essential to the nation's capital.

The gradual taking out of production of marginal and submarginal lands, their reforestation, the control of the rivers and creeks, the control of spring run-off and conservation of our water resources, the prevention of pollution—these essential features can be achieved under this legislation with the co-operation of the provinces and the municipalities.

The more productive lands will be freed from the depressing effects of surpluses; they will have greater stability of income, greater opportunity for capital improvement of soil resources through drainage and improved cultivation, for improvement of farm buildings and fences.

In this generally rich agricultural area of eastern Ontario I can foresee this legislation meaning a general "face-lift" so that Ottawa,

which is the shire town, the county town of Carleton, as well as being the nation's capital, will be surrounded by a balanced, profitable agricultural development.

Mr. Speaker, the true need of agriculture is not some gaudy panacea; it is not some cure-all. It is the establishment of positive objectives for agriculture, the acceptance of equity for agricultural producers as a fundamental right and the recognition that this must be achieved by progressive steps, deliberately taken, based upon sensible, rational, social and economic principles.

As I searched for a way to express to the house my deep conviction on this subject there came to my mind a speech made 18 years ago by a great Canadian, a leader of my party, a man whose dedication to the cause of agriculture has been the abiding crusade, the overwhelming ambition, of his life. These are the words of John Bracken spoken to the Holstein-Friesian breeders' association on February 3, 1943:

> It is not foreordained that farmers as a class shall work for less pay than anybody else;
> or have their children receive, in many areas, only one quarter of the chance of a secondary education or one tenth of the chance of a university education that other children get;
> or see their wives forced by economic circumstances into lives of toil, often 12 but sometimes 14 hours a day, all too often Sundays and holidays included.

Fortunately, these statistics have improved in the past 18 years, particularly since 1957. I continue:

> These things are not inevitable, and they are not creditable to Canada.
> There is no just reason why any farm people in Canada should be forced into the position of poor relations of the rest of society.
> No one in urban life that I know of wants to see an inferior economic status fastened upon rural people. No one deliberately plans to keep rural people at these disadvantages.
> Farmers don't want handouts from the state. They want markets at fair prices for what they produce. Failing that, they want—and have every justification for expecting—a fair relationship to exist between the prices of what they sell and the prices of what they buy and have to pay for, including labour. They want a square deal. They ask for no more than that; and society cannot, in decency, give them less.

Sir, these words of this outstanding Canadian come ringing back to me 18 years later, for they express more adequately than any words of my own could, my attitude toward agricultural policy. They express the basic objective of this government.

Mr. Pickersgill: Mr. Speaker, would the hon. member permit a question. The hon. gentleman I think said, "The words echoed in my mind". Would the hon. gentleman assure us they were not his words originally?

Mr. Bell (Carleton): Mr. Speaker, I can give the hon. member my fullest assurance in relation to that, although I may have played some part at the time in regard to the policy that was then being initiated.

This government is erecting an edifice of balanced, co-ordinated farm policy designed to cure the situations described by Mr. Bracken. It has four cornerstones; each cornerstone is a legislative advance achieved since 1957. Basic is price stabilization, provided by the agricultural products stabilization act, designed to prevent violent fluctuations in price. On the second corner is the Farm Credit Act, a major advance from the old farm loan board; and on the third, the Crop Insurance Act; and now with this agricultural rehabilitation and development bill the fourth cornerstone is laid and the edifice of a balanced agricultural policy may be proceeded with.

Mr. Speaker, it was fluid milk at 80 cents a hundred which drove me from the farm and which educated me in the law. The memories of farm prices at those disaster levels made me resolve that if ever it was my privilege to serve my fellow citizens, my first dedication would be to an attempt to bring to the farmers of my native historic Carleton a position of social and economic equality with those in other callings. I proclaim that as the first principle of my political creed, and because this bill is a major step toward the achievement of that aim—that principle—it has my enthusiastic support.

Mr. Heath Macquarrie (Queens): Mr. Speaker, it is not my custom to participate in every agricultural debate in this house, but it is a pleasure for me to say a few words, and they shall be few because I do not make a positive correlation between the length of my remarks and the intensity of my support for any legislation.

I should like to say that this bill commends itself most enthusiastically to my judgment, and I would like to compliment the minister for his initiative in bringing it forward. This is my first opportunity to speak in regard to agriculture since he assumed that important portfolio, but I can say since he has taken on these duties he has been twice in the province of Prince Edward Island and has been well received there, and is highly regarded for his actions and utterances therein.

I am not a farmer, as nearly all preceding speakers this afternoon have been, but since I represent some of the best farmers in the business I feel emboldened to make a comment or two.

An hon. Member: Tut, tut, tut, tut.

Mr. Macquarrie: While in the city of Charlottetown not long ago I had the opportunity of attending a Rotary club luncheon in honour

of the Prince Edward Island winners of outstanding prizes at the royal winter fair, and it was stated there that never in the history of a province had there been so many winners.

Following the example of the hon. member for Bonavista-Twillingate (Mr. Pickersgill)—and I follow his example in so many things—I am emboldened to speak in regard to this agricultural field. Similarly, as the hon. member for Carleton (Mr. Bell), whose eloquence and experience far surpasses mine, I have been especially moved by this bill because it is one of those fundamental pieces of legislation which deals not merely with an institution or an ad hoc situation, but with something very vital and fundamental not only to our way of life but indeed to life itself. I can remember as a small boy hearing the member of parliament for Queens county, the late Mr. Myers, make a speech, and I have never forgotten his words. He said the whole of life, and all that life has become, depends entirely upon the top six inches of the soil covering the earth. Surely the farmer and the agriculturist must be the first citizen of us all in terms of importance. Surely it is an ancient and honourable industry.

A writer who has always impressed me by the depth of his thought and the width of his vision was Louis Bromfield, who was always so concerned with the way we North Americans denuded the great resources which were found on this continent, and how we mined the soil so often instead of working it properly, and how the riches, which were here when the settlers from Europe came, have so often been diminished and indeed denuded.

No one from my province, so far as I know, has participated in this debate but, because Prince Edward Island is called the million acre farm, and I think quite rightly, I am happy to say that this bill will be most meaningful and helpful to that province which is known as the garden province. The hon. member for Carleton in his reticent modesty, or modest reticence, referred to that area he called the golden triangle, but I might say that our area has often been called the fertile crescent of Prince Edward Island.

When the hon. minister and his expert officials continue their study of the resources involved in this vast frontal attack which they have embarked upon, they will find that much of the work has already been done in Prince Edward Island. A great scholar, Dr. A. H. Clark has published a book entitled "Three Centuries and the Island", and has gone back in the geographical, historical, sociological and economic situations for three centuries. As is stated in the dust jacket of the book, he went back to a time before the potato was born. That is a fairly long time. The book includes tremendously accurate and comprehensive sets of statistics which I would commend to the experts of the minister's department who will be carrying on statistical studies in relation to this legislation.

Prince Edward Island, like the area mentioned by the hon. member who has just spoken, has long been a region of small farms and independent farmers. We have always had limited acreage, and if it were not for the fact that we were able to produce excellent crops such as the potato—the hon. member for Victoria-Carleton (Mr. Montgomery) is not in the house so perhaps I will affirm that the Prince Edward Island potato is the outstanding potato of any on the market—we might have suffered from some of those things the hon. member has just mentioned.

We have not suffered from a decline in farm income as the recent statistics indicate, but there has been a steady departure from farms. Although the province of Prince Edward Island, in recent years has had an increase in population, it is not as populous now as it was in the 1890's. The 1891 census showed a population of 105,000 people. It is only recently that we have again reached the 100,000 mark. This arises from the departure from the farms of many of our young people. My colleague the Minister of Fisheries once said that the polling district in which he lives has now as many people on the voter's list as were qualified to vote in the days before the women of the country were given the franchise. The number of our abandoned and vacant farms is, I think, the most fundamental problem in our province. It is fundamental not only in agricultural terms but in human terms, because it indicates the constant export of our greatest resource, our young people, to other parts of the continent. For a long time, as everyone knows, the maritime provinces contributed to the great intellectual development of New England and there are very few maritime families that do not have a branch or two in New England, that intellectual heart of the republic. In the maritimes we are now contributing to the growth of Toronto. Probably this is one of the reasons why this city is developing so rapidly and reaching a degree of acceptance that it did not have in years gone by.

The future of agriculture in Prince Edward Island will be brightened by what this bill foretells. We must have not so much more specialization but greater diversification. Vacant farms must be brought into productivity. A wider range of agricultural commodities must be developed. Within the last two or three years we have been developing with great success tobacco crops in the eastern portion of our province. This offers new vistas. This is also true of activities in

the small fruits field, and certainly in reforestation. In the early days, as Professor Clark points out, there were great stands of pine in Prince Edward Island. It was a heavily forested province. It has not been denuded of trees nor has it suffered from unwise cutting down of forests which has caused erosion in so many parts of Canada, but nevertheless there are areas which might now be turned to profitable forest production.

I may say to the Minister of Agriculture (Mr. Hamilton) that, when he starts his activity, which is a co-operative venture, he will find few provinces better prepared in a legislative way than the province of Prince Edward Island. In that province we already have an exhaustive plan for a comprehensive resources survey, an economic development program which will dovetail magnificently with this A.R.D.A. bill.

I should like to particularize; I should like to be specific, as was the hon. member for Carleton (Mr. Bell), but at this stage I will say only generally that in the A.R.D.A. bill we have but one more of those pieces of legislation which will do a great deal to bring not only material gain to the maritime provinces but an uplift in spirit, because agriculture in the maritime provinces needs this. For instance we are today importing things which we should be exporting. Leadership, mobilization of ability from the dominion authority, co-operation with the provincial governments, will fit in with the new spirit that prevails in our eastern seaboard provinces and will bring to our major and ancient industry a new feeling of confidence which we hope will be reflected in an increase in population, in an increased diversity to our income. It is another forward step, and there have been a great many in the last four years, to bridge that gap which too long has existed in economic standards between the maritime provinces and the rest of Canada.

Because I firmly believe that this is one of the most imaginative steps that has been taken by the government, I heartily endorse this A.R.D.A. bill and commend the minister on his vision and initiative in bringing it forward.

Mr. E. W. Brunsden (Medicine Hat): Mr. Speaker, it may not be unfitting for one from the far west to follow the hon. member for Carleton (Mr. Bell), who gave us a picture of his local agricultural situation, and the hon. member for Queens, to say something about agriculture in western Canada as applied to this particular bill.

Let me say at the outset, sir, that the only governments that ever have shown any initiative or interest in soil and water conservation have been Conservative governments.

Mr. McIlraith: What about water conservation on the eastern slope of the Rockies?

Mr. Brunsden: I repeat the statement, sir, the only governments that ever have shown any interest in water and soil conservation—and I am speaking now particularly of the west—have been Conservative governments, of which this is one.

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

Mr. Brunsden: I go back to the days of the 1930's—

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

Mr. Brunsden: Will you help me by waiting until I conclude my remarks.

Mr. McIlraith: It is relevant.

Mr. Brunsden: Yes.

Mr. McIlraith: My question is, will the hon. member tell the house what government it was that passed the measure having to do with water conservation on the east slope of the Rockies?

Mr. Brunsden: The Prairie Farm Rehabilition Act was Conservative policy.

Mr. Argue: Prairie Farm Assistance Act.

Mr. Brunsden: That is not water conservation. I am sorry, but the hon. member for Assiniboia is confused. He is confusing water and soil conservation, with crop relief. The only governments that have shown any interest in water and soil conservation have been Conservative governments and this is a statement that cannot be challenged.

Mr. Pickersgill: I challenge it right now. I hope the hon. gentleman does not get very near Mr. Gardiner for some time, after making that statement.

Mr. Brunsden: Believe me, sir, I live in the province of Alberta and I remember when the government under the leadership of the Right Hon. R. B. Bennett was formed. He introduced the Prairie Farm Rehabilitation Act. It was his own initiative; it was established by him and his government, and it has continued to this day.

With regard to the comment made by my friend from Bonavista-Twillingate, let me say that Mr. Gardiner made a very fine political vehicle out of the Prairie Farm Rehabilitation Act for a good many years. In the west we are concerned with this bill. We think it is long overdue. We would have liked to see

it many years ago. We now have it. It means a great deal to us. There are large areas in western Canada—and I think no one realizes this more than the Minister of Agriculture—which, by reason of deficient rainfall and certain other natural impoverishments, simply cannot continue on a crop production basis.

My hon. friend from Queens talked about trees; my hon. friend from Carleton talked about market gardening in the Ottawa area. They have their problems. Our problem is that of tremendous tracts of land without too sound a basis. Our objective must be changed. We must bring about some reforms. We must convert large areas now devoted to the plow, the seed drill and the binder or reaper, to natural grass as was the case many years ago.

I have said in the house before that a large section of western Canada lies within what we call the Palliser triangle, an area of very limited rainfall. Last week I was in my constituency on official business and what did I find? I found that we have had no rainfall and very little snowfall. Each year for the last four years we have had less and less precipitation, and I hope the minister will appreciate in relation to the bill before us, that each year for the last four years we have moved more and more toward the drought conditions of the thirties.

As far as I am concerned as a resident of western Canada, as one who has spent his adult life in Alberta, I feel that a very grave emergency is arising. I am delighted that finally, for the first time in the history of Canada, we are to have a comprehensive program which seeks to alleviate and control the problem we face in the prairie provinces.

I have spoken before of the diminishing water supply in western Canada. We are building the South Saskatchewan dam and I think one of the reasons it is being rushed to completion is the small supply of domestic water in the towns and villages of Saskatchewan. This reduced supply of domestic water comes about by virtue of the fact that each year the run-off from the eastern shed of the Rockies is less and less. That is true of my district. I live in an area which has 200,000 irrigated acres and we have witnessed with alarm the receding water supply. We need water conservation and this bill promises it to us. I should like to commend the minister and to say to him and through him to the government which I am proud to support, that this is one of the most progressive steps, agriculturally, that has been taken by any government in the history of Canada.

Mr. C. S. Smallwood (Battle River-Camrose): Mr. Speaker, in rising to make a few remarks on the bill I should first like to express my congratulations to the minister for all he has done on behalf of agriculture since he took over the portfolio. I am sure that the farmers of Canada appreciate the great effort he is putting into his work. This farm rehabilitation program is something that should have been thought about many years ago. I have farmed for upward of 23 years and when I first started in 1937 we had a Liberal government which never gave any thought to such a program. I remember the year 1938 when wheat was 40 cents a bushel and cattle four or five cents a pound. I remember the years of the drought with the dust flying across the country. What did the Liberals do to rectify that situation? Absolutely nothing. A horrible war began and took the Liberals off the hook.

Today we have a very important piece of legislation before the house, and when I go home and tell my farmers how the obstructionists of the Liberal party this morning delayed consideration of this bill by the house today, I do not know what those farmers will say.

Mr. Pickersgill: It was not intended to come forward today.

Mr. Smallwood: I thought that was a terrible thing to do in respect of very important legislation like this. They have sat in their seats today. Not one of them has risen to say a word about the bill. They cannot make political hay out of it so they have not a word to say. They just sit there in their seats.

The government realizes the importance of agriculture and has brought in a great deal of legislation to help the industry. I remember when they brought in advances on wheat. Our Liberal friends said that it could not be done, that it was a terrible thing, that it could not be worked out. It has proved successful. The government introduced acreage payments to help the farmers. The Social Crediters in the Alberta legislature cried for two days for a two-price system. They do not know what a two-price system is because that was a two-price system. Our farmers were paid $42 million and we consumed 50 million bushels of wheat which means almost 90 cents a bushel. We distributed that sum to the farmers on an acreage basis but we are criticized by people for doing so.

The Department of Agriculture now handles the sale of wheat and has made a great effort to expand our sales. Just recently a big sale was made to red China which is going to bring a lot of currency into our country and develop the industry. The western farmer would like to save his money but he will spend that money and it will return to Ontario where industry is located.

The Liberals had a great circus last January at the Ottawa coliseum and they said they would recognize red China, but what did the Leader of the Opposition (Mr. Pearson) say about this sale of wheat?

Mr. Speaker: Order. I have been following the hon. member with interest but I fail to see how what he is saying or has been saying for some time is connected with the bill.

Mr. Argue: A Tory filibuster.

Mr. Smallwood: Mr. Speaker, the bill is relevant to what we have done for agriculture. The South Saskatchewan dam is in line with the bill from the point of view of water conservation. We have brought in crop insurance. I would say to the Minister of Agriculture (Mr. Hamilton), and I trust he will heed what I am saying, that I hope he will pick the best men he can possibly find to administer this legislation and not make use of political patronage as the previous government did under Jimmy Gardiner in trying to spread their political views among the farmers. I hope we will not do that. I am sure we have not and will not because we simply want to help the farmers. That is the main idea of the government.

This program will be of great assistance to the farm families. The government has always taken a great interest in farm families. A farm family is rather hard to define but I would say it is the family that believes that farming is a way of life and a wonderful education for young people. Some of our great men were farm boys and benefited from the education they received.

This bill refers to the development of alternative economic uses for marginal agricultural land. Examples of this are the encouragement of farm woodlots, of tree farming, of county forests, of reversion into crown lands, recreational areas and so on in eastern Canada. Last year, Mr. Speaker, I was fortunate enough to be able to travel through eastern Canada. I saw these small farms at that time which consisted of a few acres under cultivation and on which there was a milk cow. The farmer was trying to raise a family on the income derived from these farms. I noticed the same situation in parts of Quebec and New Brunswick. I feel that this bill will be of great assistance to these farmers because they will be able to start in the wood business and in the production of pulpwood. I admit that it will take years to see any results from this program. At least it is a start toward assisting these farmers to earn a livelihood for their families.

The conversion to grass of marginal cropping land in western Canada by means of the community pasture technique and encouraging wildlife habitat areas, recreation development and crop diversification are other examples. In certain parts of the west there is land being farmed which should be turned over to grass for the production of cattle. This step could be taken under this act with the assistance of the government. Some of this land has been farmed for years, and this year, particularly in my part of Alberta, we have noticed that the water level has dropped drastically. Many people who have cattle are already concerned about water and pasture. If we do not get our June rains, some of these people are going to be in dire circumstances. It is comforting to realize that under this act a program for water conservation could be developed.

Just recently the P.F.R.A. organization has moved into our area. The farmers are now able to obtain dams and dugouts, so there is going to be an abundance of water for the cattle. This government changed the farm loan board to the farm credit corporation, and this move is working out very well. The young farmer is able to get a start through the credit provided by this organization, and those farmers already established can expand their operations into an economic unit.

These community pastures are very important. There are a few of them being organized in Alberta. I am very interested in a tract of land in my constituency which was purchased by the previous government to add to the Wainwright army camp. This land is used for army manoeuvres for only two or three weeks during the year. I would be interested in having the Department of Agriculture investigate the possibility of making better use of that land by turning it into a community pasture. Many of our farmers are short of pasture land and, therefore, have had to reduce the size of their herds. They are going to find it very difficult to finance their operations if they cannot keep cattle on their farms.

I do not think I should take up much more of the time of the house, but I should like to express my thanks to the minister for all the work he has done in connection with this measure.

Hon. J. M. Macdonnell (Greenwood): Mr. Speaker, I rise really for the purpose of asking a question of the minister before he closes the debate. I think everyone, no matter how non-rural his constituency may be, is greatly impressed with a measure of this kind which is designed to improve the conditions of life in that part of our community which we all know means so much to the whole life of the state. I was once, before I was sent about my business, a representative of a rural constituency containing some of the most

beautiful farmland in Ontario. I got to know something about farming and realized the great distress and difficulties which even in good areas have arisen and which have been so clearly exposed today by the hon. member for Carleton (Mr. Bell).

The question I want to ask the minister is this. It is in connection with the other activities which the measure contemplates, and which we all hope will be highly successful. Will there be regard for the increasing need of education which will arise to the extent that the measure succeeds in its aims? When I say "education", I do not mean merely technical education but education in its broader aspects because it is well known that we all look to the country for leaders in the professions, in business and politics. I am thinking of a broader education, not merely technical education, which those in the country and who can have such an influence on our whole way of life, should have. I am quite satisfied the minister, with his own background in the teaching profession, would be the last one to be careless about this or to ignore it.

I raise the question merely because I should like to have the matter mentioned. Those of us who have even a tincture of Scottish blood in us like to look back to Scotland where, in the poorest country homes education was cherished and from the most unlikely surroundings the most distinguished people arose to guide and assist the life of the state.

Mr. G. D. Clancy (Yorkton): I wish to take a small part in this debate. I should like to sincerely pay a compliment to our Minister of Agriculture (Mr. Hamilton) whom I have known for many years. I know that this type of legislation is not only very dear to his heart but is something upon which he has spent a good many years. I was very surprised this morning to hear the official opposition state this was a controversial measure. I cannot understand how the principle of the bill can be controversial in any part of Canada. There could be controversy over details, but certainly not on the general principle of the bill.

This measure, as has been said before in this house, is long overdue. It is a bold step and it is being taken without any hope of political kudos in the immediate future. It is a long term measure. As the minister has said, the implementation of the bill will involve the co-operation of every level of government, municipal, provincial and federal. As a member from a constituency which has a very wide range of problems, I think I can speak for my constituents when I say that we welcome this legislation.

[Mr. Macdonnell.]

Mr. F. J. W. Fane (Vegreville): Mr. Speaker, I, like the other members who have spoken, feel that I must first congratulate the minister upon the introduction of this Bill No. C-77. During the six months during which he has taken over the Department of Agriculture he has been untiring in his efforts on behalf of the farmers of Canada. He has travelled the country over and has obtained the opinions of farmers of all kinds throughout Canada with regard to this bill. Consequently he has a wide and accurate knowledge of the good this bill will do.

At this time I feel that I should thank the minister for giving me the opportunity of being host to him in my constituency at the town of Andrew in January of this year when he was on his tour of all the provinces of Canada. He made a very good impression on the farmers in my area and he was very well received. His reception was much different from that of his predecessor once removed, in 1957, in that same town of Andrew. I am speaking now of Right Hon. James Garfield Gardiner who, when he was Liberal minister of agriculture, addressed a meeting in the same hall in which the present Minister of Agriculture spoke.

Mr. Speaker: Order. I have been listening to the hon. member's line of argument and it seems to me that it is somewhat removed from the principle in the bill. Perhaps he could come back to that matter.

Mr. Fane: Thank you, Mr. Speaker, I will return to the bill. I was just building up to it. As a matter of fact, I was just about to say that the minister was also to be congratulated on the sale of grain to the people of mainland China. That is a step very much in the right direction. It will in time acquaint those people more fully with our way of life. Perhaps as a result they will be less of a problem to us in the future.

I wish to say that the constituency of Vegreville which I represent is amost entirely an agricultural one. It was settled first some 90 years ago or thereabouts. At that time the farmers who settled there had no thought that in the future their land would not be so productive as it was then. At that time a farmer could sow his grain and be sure of a crop. Conditions have changed.

As the son of one of the earliest farmers in that area, I can say that I have seen our most productive land become not so productive. The reason for that change is not that the farmers mine their land. You will find that almost invariably the farmer loves his land. He is proud to have possession of the land and to be able to produce from it. However, over the years the climate has changed and the fertility of the

soil is becoming less apparent. Fertilizers are required. There is also not so much rain or snow in that country at the times when it is expected. As a result, family farms are not so productive.

This government has always been an exponent of the family farm as opposed to the integrated farms which are just big business farming. As I said, I have seen our area develop from one of great fertility to one which, while it is still very fertile, requires some renovation or rehabilitation. That is where this bill, No. C-77, will be of great assistance. Even the grass land in our country does not produce grass of the same quality as that which it produced 60, 50 or even 40 years ago.

This bill provides for the alternative use of farm lands. I know that matter has been mentioned many times in this debate. The alternative use of farm land means the development of alternative and economic uses of our marginal agricultural land. That is something that most farmers have on their farms in some measure. I refer to marginal areas. Just outside the town of Vegreville in my constituency, an experimental substation is established for experimenting with a submarginal soil in our area called solonetz soil. It is doing very good work. It was established some six or seven years ago and uses have been established for soil that previously was useless.

I may say that this bill also provides that reduction of the number of farms is not an object of this project. If the number is reduced, the farms cannot be called family farms any longer and they will become big businesses. On behalf of the people in my constituency of Vegreville I wish to say that I am pleased to see the Minister of Agriculture bringing this bill forward and I support it very strongly.

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

An hon. Member: The hon. member for Pictou.

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I am next door to Cumberland; hence you are not too far out in the designation of the constituency.

I should just like to say a few words on the bill now before the house to provide for the rehabilitation of agricultural lands and the development of rural areas in Canada. I commend the minister for this bill. The reason I am speaking on this matter is because I believe it will be of the utmost importance to the province of Nova Scotia and especially to my constituency, the county of Pictou. As was pointed out in the statistics, 61 per cent of the farmers in the province of Nova Scotia earn under $1,200 per year. This is the highest percentage, next to Newfoundland.

This bill is a wide and most general one. It will take some time, as was pointed out by the minister, to get it working. One of the most important things about it, as I see it, is that it enables the minister to enter into agreements with provincial governments or agencies to undertake jointly with these governments and agencies the provisions of the bill. That is most important. It shows a spirit of co-operation in the Department of Agriculture which I believe wlil go through this country. Indeed, the minister himself is exemplifying this spirit.

Last week the minister was in the neighbouring constituency of Colchester-Hants which is represented by my good friend on my left. The minister was attending the closing exercises of the agricultural college, which is no doubt one of the best in this country. He met with some of the farm groups in the province of Nova Scotia and he accompanied the provincial minister of agriculture, the Hon. E. D. Haliburton, who is doing as terrific a job in the province of Nova Scotia as the minister is doing here in Ottawa.

The reason I point out that the provisions of this bill are important to my constituency is that there are many vacant farms throughout the county of Pictou. For example, there are vacant farms in Lansdowne, Gairloch and throughout that area. Steps have been taken in the last few years by various individuals and some companies to grow Christmas trees in these areas. This has become quite an industry and some of these vacant farms are also growing blueberries.

I believe this bill and the A.R.D.A. program will assist with regard to many of these vacant farms, particularly in Lansdowne and Gairloch. This program will help in the growing of trees in these areas and I believe it will put new life into the agriculture of the county.

There is another area where there is a vacant farm which was owned and operated by my grandfather, the late Daniel Cameron, at Elgin, above the village of Hopewell. That was a good farm. I believe this program will be of great benefit to the Elgin area.

My late grandfather was a justice of the peace and forest ranger in the area for some while until politics stepped in. He was known as a Tory, which in those days was not the party in favour, and he was removed. Perhaps the job did not pay too much. However, that is one thing I remember from the things he told me when I was growing up; he was on the opposite side of

those who were in power at that time. That probably had something to do with my attempting to come to Ottawa on the right side of the house.

I should just say that I believe this bill is an important one. As was pointed out by the Prime Minister (Mr. Diefenbaker), it is a means of meeting the small farm problem. The government has under consideration ways and means to improve the standard of living of farmers on small farms by better land use and improvements for small farm units.

These farms are important, and I believe this program will have a terrific impact on the province of Nova Scotia. I agree with what many hon. members have said today about this bill and I commend the minister for introducing it.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, while we are not in the position of congratulating the minister on the excellent job he has done in this connection, we certainly agree that the work which is outlined particularly in the ARDA pamphlet, is an indication that organizations across the country, the provinces and indeed all those who are interested in conservation, will be asked to give it some assistance.

We question the publication of this pamphlet prior to the passing of the bill, particularly in light of what was said about it when this matter was raised. That is, if the avowed purpose of publishing this pamphlet was to ask for additional information from farm organizations, provincial governments and others, it would have been advantageous to refer back this matter, after these questions had been asked of these various organizations, to the agricultural committee so that consideration could be given to those answers.

Unless the minister is prepared to bring in amendments which will put into effect some of the suggestions which have been made by the various organizations, I suggest that the minister, to say the least and to put it in the mildest manner, used poor judgment in presenting this as an application of the bill prior to the time it was put into effect.

In many parts of Canada this rehabilitation program, particularly for agricultural land, is of the utmost importance and necessity. Even in farming areas such as those in northern Ontario, which in many cases are less than 50 years old, we find we have already done many of the things that scientists in the agricultural field say we should not do. One of these, of course, is that we have eliminated all the reserves for water conservation in the agricultural areas and we are now experiencing a terrific run-off of our topsoil in many parts of this area. This is unusual because of the fact that it is a very new area. This is an area which has not yet been completely developed, and we are already experiencing many of the problems which have developed in other parts of the country.

I notice that we are going to ask a number of other organizations to be brought into the working of this bill. We have the stabilization act, the Farm Credit Act and the Crop Insurance Act. Much of this legislation can be utilized in this connection. I should point out that some of these measures apply very little in some areas, particularly in those areas where conservation is very badly needed.

Mr. Argue: Five o'clock.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I rise on a point of order under which I seek instruction. I understand that this being Saturday, on your ruling we are now operating under the order of precedence applicable on Friday, which means that between five o'clock and six o'clock we will be concerned with private bills and orders. May I ask your instructions on this matter.

Mr. Speaker: That was not the substance of my earlier decision on the question of which item on the order paper should be taken first. It was that we proceed with the first item on the order paper, the order paper having been carried forward with the items in the same sequence and order that they were in at the adjournment on Friday.

I certainly did not intend to indicate that the rules specifically applicable to Friday are applicable to today. I simply had to decide which item should be called first today. I made the decision on the basis of the order paper as it was on Friday. It does not follow from that that the rules applicable to Friday also apply to today's proceedings.

To make the matter clear perhaps I should indicate to the hon. member and the house that standing order 15, which provides for the consideration of private and public bills between five o'clock and six o'clock, makes that provision specifically, with respect to Monday on page 9, and with respect to Friday on page 11, but not to any other day.

Mr. Winch: This is Saturday and I understood Your Honour to say this afternoon that we were following the procedure of the United Kingdom parliament, which is that the procedure of Friday shall be the procedure of Saturday.

Does that mean that we should now be dealing with private members' bills?

Mr. Speaker: No. The decision made earlier today had to do with which order should be called first today and that was determined in reference to the order paper as it was left on Friday night. There are a number

of specific rules relating to Friday and other named days which apply only to those days unless by an express order of the house. The situation now is that today the order of precedence of business has not been provided for nor is it governed by any specific rules. It is not a government day nor is it a private members' day. We have settled precedence of business by taking the orders appearing in the order paper in sequence beginning with the first order; that being a government order, it followed that we should proceed with government orders. However I did not intend to imply that specific standing orders about the business of the house for Friday should be taken as applying to today.

(Translation):

Mr. Maurice Johnson (Chambly-Rouville): Mr. Speaker, as a member from the province of Quebec, it gives me great pleasure—

(Text):

Mr. Speaker: Perhaps I interrupted the hon. member for Timiskaming (Mr. Peters), as a point of order intervened when the hon. member for Timiskaming had the floor.

Mr. Peters: Mr. Speaker, I should like to say a word or two on this point of order. I should like to direct your attention to Beauchesne's fourth edition where the business for Saturday is set out at page 381 under form No. 36, which reads as follows:

> That on Saturday the ....., and every Saturday thereafter until the end of the session, the house shall meet at three o'clock in the afternoon and the order of business and procedure shall be the same as on Fridays.

Mr. Speaker: The hon. member is referring to a draft form of order which unfortunately the house has not passed, so it really has no bearing on the problem. If the hon. member wishes to continue in the debate he may do so.

(Translation):

Mr. Johnson: Thank you Mr. Speaker. I was therefore saying that, as a member from the province of Quebec, it give me great pleasure to support the motion of the Minister of Agriculture (Mr. Hamilton) for second reading of Bill C-77.

In describing myself as a member from the province of Quebec, I do not intend to infer that I do not regard myself as a member for the other provinces of Canada. However, our Liberal opponents often make it a point to accuse the members from Quebec of not supporting the principle of certain bills coming under the joint jurisdiction of the federal and provincial governments. I know this to be a fact because I have read about it in a number of newspapers and have often heard it stated in this house. In certain remarks which were intended to be either amusing or critical, some Liberal members from Quebec and Newfoundland have suggested that the members from the province of Quebec always drag their feet when it comes to such measures, or even ignore them completely.

Mr. Speaker, when, in the past and in recent times, the members from the province of Quebec or the government of the province have opposed certain bills introduced by the federal government, it was because they had to in view of certain conditions and in the interest of their province.

The Liberals have, in the past, taken us to task for failing to take a stand on some of those bills.

It gives me pleasure to say that in this case, the members from the province of Quebec as a group support this piece of legislation.

First of all, the bill deals with something which, under the constitution, comes under the joint responsibility of the provinces and the federal government.

Of course, it concerns the disposal of part of the provincial territories, but it must be noted that this measure respects the provisions of the constitution regarding the ownership of the lands, the soil and the territory, since the federal government will not undertake any step unless there has been a previous agreement with the province concerned.

This is an example of the kind of bill introduced by a Conservative government which is respectful of the rights of the provinces, and is at the same time anxious to fulfill its duties towards the people of Canada. This is a relief after the centralizing bills of the previous era when Liberals always used to introduce measures designed to make gradual inroads upon provincial jurisdiction in certain fields, so that they might take advantage of those infringements to increase their responsibility, and then refuse to leave the taxation fields they had grabbed during the war.

The Conservative attitude is quite different. We do not deny the existence of national problems. The problem of the distribution of arable land is one of them.

Here you have this Conservative government, respecting the constitution and the jurisdiction of the provinces, introducing a bill that takes into account the constitutional framework, which must always be taken into consideration when it is a matter of legislating for the whole of Canada.

Therefore, I want to congratulate not only the Minister of Agriculture, but the whole cabinet, for their initiative in introducing this bill entitled:

Mr. Speaker, if I were allowed to make a few remarks about the implementation of this bill, I would ask the government to see to it that, when regulations are adopted in relation to this bill, they, as well as the agreements signed between the various provinces, should be flexible enough to apply to the particular problems of each province.

There is not one province where farm problems or rural establishment problems are not altogether different from those in other provinces.

In the province of Quebec, agriculture is mostly based on the family farm principle and this will create a problem, namely the avoidance of anything that would tear whole families away from their usual surroundings for the purpose of establishing them elsewhere. Certain difficulties would arise then. But I am sure that, with the wholehearted co-operation of every provincial government, the problems will be easily settled between the parties involved, through the agreements provided in this bill.

I shall not venture to discuss the problems of other provinces, because I know that my colleagues from other provinces, especially Conservative members, are qualified to do so. However, I shall endeavour to point out in particular the problems facing the government in a possible agreement with the government of the province of Quebec.

Now, Mr. Speaker, I take the liberty of requesting of the premier of the province of Quebec that he refrain from playing petty politics in this field, as he appeared to indicate during the last federal-provincial conferences on fiscal matters. I know that the premier of Quebec has only recently become a convert to autonomy but he does not seem to understand it thoroughly—

(Text):

Mr. Pickersgill: On a point of order, Mr. Speaker, I wonder precisely what this attack upon the premier of Quebec has to do with the legislation before us?

Mr. Speaker: If that is the argument that is being advanced it would be difficult to connect it with this bill.

(Translation):

Mr. Johnson: Mr. Chairman, I am precisely dealing with a problem, or with a bill, that especially refers to fiscal agreement between the province of Quebec and the federal government. It is a case of two governments having to discuss a joint issue. This issue will arise, not only out of agreements under this bill, but also out of joint projects in general. I was precisely stating, and I say it again for the benefit of the member for Bonavista-Twillingate (Mr. Pickersgill), who apparently understands only half of what I am saying—incidentally I advise him to listen to the simultaneous interpretation, and this will enable him to understand what I am saying—

The Quebec premier raised that question of joint projects. Incidentally, Mr. Chairman, I am coming back to what I was saying about the hon. member for Bonavista-Twillingate. However, I would not want to insult him. Although I am sure he is very intelligent, blessed with a quick ear, he still cannot pretend, even if he is bilingual, that he can, at one and the same time, write a letter, listen to his neighbour, talk to someone behind him and still hear the remarks I am making in French and understand them.

(Text):

Mr. Pickersgill: Mr. Speaker, I rise on a question of privilege. The hon. member has recommended to me that I should use the simultaneous translation system to listen to his remarks. It so happens, sir, that I find his remarks quite as comprehensible and quite as insulting in the one language as in the other, and I have no need of crutches of the kind the hon. gentleman has recommended to me for the purpose. I would suggest that if the hon. gentleman would address himself to the legislation before the house and not to extraneous attacks upon a former distinguished member of this house whose shoe laces he is not fit to touch, it would be better for the debate.

Mr. Speaker: I think that perhaps the latter discussion on both sides is not relevant at all to the bill or to the point of order, and I would counsel the hon. member who has the floor to return to the subject matter of the bill and not to deal with personalities.

Mr. Johnson: I do not want to prolong this discussion, but if the hon. member for Bonavista-Twillingate had listened to what I said—

Mr. Speaker: Order. The hon. member knows the course he should follow, and I suggest he proceed with the discussion of the principle of the bill.

(Translation):

Mr. Johnson: Mr. Chairman, I had been speaking of joint projects when I was interrupted by a remark completely out of order.

I was saying I hope that the province of Quebec will share in those joint programs and find solutions acceptable to its people so that the federal government may be in a position to enact regulations and propose arrangements having regard to the particular position of the provinces, especially the province of Quebec.

While I am on this subject, I was saying that I wanted to make a distinction between joint programs which come under the concurrent jurisdiction of the federal and the provinces in the field of agriculture and others mentioned by the prime minister of Quebec at the tax conference last summer, when he stated that the government of Canada ought to withdraw from joint programs and leave them entirely to the provinces.

(Text):

Mr. Speaker: Order. If the hon. member, as I followed him, is referring to other kinds of joint agreements between the federal authority and the provincial authority in Quebec, other than those covered by this bill, it seems to me to cite what has been said with respect to those other arrangements has no relevance to the provisions of this bill although it does permit in general terms the negotiation of agreements with the provinces. I trust that he can adapt his remarks to this direction.

Mr. Johnson: Mr. Speaker, thank you for your ruling. I just want to make this distinction between these two joint programs of the federal and provincial governments. I think I made my point.

(Translation):

Mr. Speaker, I find that the bill deals with agreements which may be concluded between the federal government, through the Minister of Agriculture, and the government of any province, or any agency of the latter, in order to establish research and investigation programs with regard to the development and conservation of water supplies and the improvement and conservation of soil in that province.

Once again, I hope that the rules will be set so as to avoid any too wide interpretation which would allow the federal government or its officials to interfere in a field which is strictly under provincial jurisdiction. It is not because the Quebec government has changed since June 22 last, that we, in Quebec, are going to reverse our principles, as happened with our friends opposite.

Mr. Speaker, I shall limit my intervention to those few remarks. I shall not presume to say that I have dealt with the whole subject. I simply wanted to bring in a few ideas and more particularly to make my humble contribution to the discussion so as to show that when the federal government introduces a joint federal-provincial project, which in no way impinges upon the jurisdiction of the provincial government of Quebec, member from that province will wholeheartedly rejoice and congratulate the minister and the government.

Marginal Lands Development

Mr. Harold Hicks (Fraser Valley): Mr. Speaker, I feel I would be remiss if I did not say a few words this afternoon about Bill No. C-77. As I have sat across the house from the good Manitoban—now the hon. member for Bonavista-Twillingate—I have often wondered how such an eminent scholar as he is ever got to Newfoundland. Being a fellow Manitoban of some years before he saw daylight there—

Mr. Pickersgill: I did not see daylight there.

Mr. Hicks: —I feel entitled to say that he made a little error this afternoon. I should like to correct this, all in fine spirit. I wish to read from the Lethbridge *Herald* of Tuesday, February 28, 1961:

> Twenty five years of progress.
>
> While we here in south Alberta are showing special interest in the resources for tomorrow conference scheduled for the coming autumn, it seems worth while to recall that just a quarter century ago one of the finest pieces of legislation in the history of the west was passed by parliament at Ottawa.
>
> That was the Prairie Farm Rehabilitation Act, for which we give full credit to the late hon. Robert Weir, then minister of agriculture in the Bennett government, and a farmer of the Melfort, Saskatchewan, constituency, who brought the measure into the house at a time when the prairie west was in a parlous state due to a combination of the lowest world price for wheat in 400 years, plus drought, plus soil drifting with its black blizzards.

Our problem in the Fraser valley is not like that of a good many other places where water is in short supply. We very often have too much water and the problem is one of drainage. All hon. members will recall the floods of 1948 and 1950. Dikes were built and after they were completed in 1949 and 1950 the understanding was that the provincial government would assume the responsibility of keeping them in good condition.

During the last winter quite a number of authorities in the Fraser valley have come to the view that the dikes have greatly deteriorated. Not only have they become lower but water gets in under them and erodes the foundation and some of the dikes are falling into the river. The board of trade of Mission City has organized quite an effort to try to get the federal government to assist in putting the dikes back into shape and they are supported by several boards of trade in the Fraser valley, those of Chilliwack, Abbotsford, Hope, Langley and so on, and also by the associated boards of trade. There is great fear that if a flood does occur some spring the result will be disastrous. If such a flood should take the same form as on the last occasion the cost would be a very serious matter not

only in the case of the farms, about which I am concerned, but also in the towns and other communities.

There is a $27 million dairy industry in the Fraser valley whose product is handled by the Fraser valley milk producers association, one of the largest co-operative associations in Canada. It is well organized and anything that interferes with its operations interferes with the revenue derived from the farms. The moving of stock, the flooding of pastures and the flooding of grain are very serious matters and in my view such situations could be alleviated under Bill No. C-77 which, as I said at the resolution stage, is one of the finest bills to be brought before the house in the field of agriculture.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I have one or two comments to make. I do not come from a rural constituency but I appreciate the benefit that the bill will confer upon the economy of Canada. I should like to refer to the pamphlet explaining the bill and to correct a misapprehension as to the farming situation in British Columbia. It is indicated in the pamphlet that 46 per cent of the farms in that province have an annual income of less than $1,200. It is also shown that the figures for Nova Scotia and New Brunswick are higher. I suggest that the reason for this is that we have a lot of part-time farmers in British Columbia, people who have small acreages and who may also be fishermen or lumbermen. In fact, I think the hon. member for Comox-Alberni (Mr. McQuillan) would be classed as a farmer because he happens to have five acres of land around his house.

I suspect that the bill will actually apply only to these people who are legitimate farmers and who work full-time on their farms but still cannot develop a reasonable annual income. I think that the figures in the pamphlet are somewhat misleading as to the state of agriculture in the province of British Columbia.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, the purpose of the bill is to bring about a greater measure of conservation, improved land use and an improvement in agricultural income by means of various projects. We were pleased to support the resolution which preceded the bill and we shall vote for second reading of the bill. However, the fact that the government has introduced a measure of this kind does not tell us to what extent the government hopes to use the measure or to what extent the provinces are prepared to co-operate with the federal government. It tells us absolutely nothing about the amount of money or even the proportion of money that the government will provide for these various projects.

In introducing the resolution the minister told us he wanted to place the bill on the order paper, have first reading and then he would go back and forth across the country meeting the farm organizations and provincial governments in order to discuss projects under this bill and to learn the attitude of the provinces and the farm organizations so that he would be in a position to change the bill in any way that seemed advisable. I hope that when he closes the debate he will inform us as to how many provincial governments he has interviewed, how many are interested in this measure, how many projects he thinks may be forthcoming under the measure during the present year and to what extent the federal government is prepared to put money into this measure. After all, it is not going to be good enough to have on the record a well-worded long term program unless the government is prepared to push it.

It is fine for hon. members on the other side to get up and compliment the minister and express great support for and faith in the measure, but we are not quite so confident that the government is going to use the measure to the fullest possible extent. We have had other rather bitter experiences in the house of the government introducing measures that read well, were promoted most capably and were given a tremendous amount of publicity but under which the farmers have found they got less than under the legislation replaced by these measures and the programs for which the new legislation was substituted. I refer, of course, to the old bill 237 under which the government has allowed the prices of eggs and hogs to collapse. Therefore it is necessary to have more than good phraseology, well meaning statements and complimentary remarks.

This has been a Conservative field day, almost a Conservative filibuster, although it does not bother me too much if the Conservatives want to put forward a dozen or more speakers on the same day one after the other. The main theme of these speakers has been that the minister is a great fellow, that this is a wonderful bill, that they are a fine party, that the Liberals were in power for 22 years and did nothing and that the people had to wait for a Conservative government to introduce a measure of this kind aimed at the conservation of agricultural resources.

This bill has a title. We know that the government is stuck with the title of the act before the bill has been approved by the house. They have used the title on a pamphlet. I think it was rather insulting to parliament that the government should bring out a pamphlet entitled, "Agricultural Rehabilitation and Development Act" before parliament had approved or the governor general had

given royal assent to that act. I think this is an affront to the House of Commons. This is a rather stupid way to conduct public business. I think the government should be above this kind of back door method. I think the government should have more respect for parliament than to put out this very fine, very fancy little pamphlet.

One finds it difficult to ascertain whether the pamphlet was printed by the Department of Agriculture or whether it was done on the authority of a man by the name of Grosart, because it is about that type of job.

Mr. Pickersgill: Perhaps it was John Fisher?

Mr. Argue: Well, it is difficult to say which one. I understand there is a little competition between those two gentlemen at the moment. They do not know which one is in control of publicity for the Tory party, whether it is the one who is paid with public funds or the one paid with other funds obtained from undisclosed sources. However, it is a very fine looking Conservative pamphlet.

Some hon. Members: Oh, oh.

Mr. Argue: There is loud applause. They know it is a Conservative pamphlet and not a government pamphlet. They know it is a very fine Conservative pamphlet, designed as an attractive piece of propaganda containing some measure of truth but a lot of propaganda. It is an insult to the House of Commons because it indicates that despite the attitude of parliament there will be an agricultural rehabilitation and development act.

Mr. Brunsden: I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: Order. The hon. member for Medicine Hat.

Mr. Brunsden: The hon. gentleman has applauded the idea of the minister getting the opinions of municipalities and provinces, and now he is referring to a pamphlet containing a very lucid explanation—

Mr. Pickersgill: Mr. Speaker, I am rising to a point of order in respect of this question of privilege, such as you allowed earlier today.

Mr. Speaker: I think the hon. member is rising on a point of order.

Mr. Pickersgill: No, the hon. member said a question of privilege, sir, and I am rising on a point of order. I submit no question of privilege arises.

Mr. Speaker: Order. If it is a question of privilege, it could not arise very well or could not intervene at this time—well, it possibly could, but what the hon. member is really speaking to is a question of order in the debate. I have not heard as yet what his point is.

Mr. Brunsden: The point of order is simply this. With all due respect, the hon. member is referring to a document which explains the legislation and is calling it propaganda. It is not propaganda.

Mr. Speaker: I see no point of order there. However, I have been in some doubt as to how the hon. member connects his reference to the pamphlet to the principle of the bill.

Mr. Argue: I believe that is rather easy. The pamphlet is headed "ARDA—The agricultural rehabilitation and development act; Bill C-77, an act to provide for the rehabilitation of agricultural lands and the development of rural areas in Canada." The minister's own statement in introducing the measure, taken from *Hansard*, is contained in the pamphlet. I think they are part and parcel of the same thing.

Mr. Speaker: I appreciate the fact that the pamphlet relates to the bill. The point about which I was in doubt was the relevance of the issuance of the pamphlet to the debate on second reading of the bill. I did not rise, myself, to stop the hon. member, but he has not made very clear the connection between the pamphlet and the principle of the bill, other than to complain about the affront to parliament in publishing the pamphlet.

Mr. Argue: I think that is a fairly important point, too.

Mr. Speaker: If it were a point, it would be a point of privilege. However, I trust the hon. member will proceed with the discussion of the bill.

Mr. Argue: I submit it is not a point of order to say that this government has held parliament in contempt. This is exactly what has been done, and it has been within the rules of the house in the past, day after day. When the Liberals were in office, opposition members held up anything they might have which they felt indicated contempt of parliament. This pamphlet has a real connection with the bill. We are being told what we are going to do. We are being told we are all rubber stamps, and no matter what we do we cannot amend the bill because the pamphlet gives the title. I feel a mistake was made, and I think it is an insult to the House of Commons.

However, Mr. Speaker, I had been saying that hon. members opposite, during this miniature Conservative filibuster, have seemed to take the attitude that under the Liberal administration nothing had been done in

this field. They applauded very loudly when I made that statement as interpreting what they have been saying, and many of them made exactly the same statement. One wonders, then, what the record of the Conservative party is in the field of conservation. A Conservative government introduced the Prairie Farm Rehabilitation Act. Did they do so early in their term of office? No, they waited until the spring of 1935, almost the end of their legal term of office under the constitution. They had become so frightened of the electorate, they had become so timid, that they were apparently desperate to try to discover something that might be done which would be popular and which would be good legislation, thus saving them from the wrath of the electorate.

Mr. Pickersgill: Would the hon. gentleman permit a question?

Mr. Argue: Yes.

Mr. Pickersgill: Is the hon. gentleman seeking to draw an analogy?

Mr. Argue: I was not seeking to draw an analogy and I am not certain there is an analogy. We shall learn after a certain time whether or not this government, at this time, is following for identical reasons the same course followed by the Conservative administration in 1935.

Mr. Bell (Carleton): The hon. gentleman will not be here.

Mr. Argue: I heard the hon. member for Carleton say I would not be here. I have heard that for many years, "You won't be here". I have heard a lot of things, that I will not be here or that I will not get some other place. However, I have been around a long time—

An hon. Member: Too long.

Mr. Argue: I have heard that before, too, and I am willing to take my chances. I think they are probably as good as those of most members in this house. "These interruptions are most entertaining", the hon. member for Port Arthur (Mr. Fisher) says, especially those from the Social Credit members from Alberta who sit with the Conservative party.

The Prairie Farm Rehabilitation Act, which was introduced by the Conservative party, was a good act. A great deal has been done under that act to assist western Canada. We believe that that act has proved itself to be a good act, and one that is worth keeping, one that should be maintained on the statute books. I feel this measure might have another title, an act to replace the Prairie Farm Rehabilitation Act. Another title might be, a bill to wipe out the record of the Right Hon. J. G. Gardiner in this field. This bill may represent an effort to cover up, to make the public forget, that the Right Hon. J. G. Gardiner, as minister of agriculture for Canada for many years, was very devoted to the question of agricultural conservation and rehabilitation. While he was not the minister responsible for the bill which established the Prairie Farm Rehabilitation Act, nevertheless under his auspices as minister of agriculture a great many worth-while projects were undertaken and completed under that act.

I think any member of parliament, no matter how biased he may be in the belief that his own party is more often right than are other parties, should be prepared to state the facts; and the facts are not as they have been alleged, namely that a Liberal government did nothing in this field. The fact is that most of the conservation measures have been undertaken and completed during the course of Liberal administration. The Conservatives could not do it from the opposition so we shall not blame them entirely. If they had been in office, I am sure they would have introduced some of them.

Mr. Smallwood: Since the hon. member is seeing the leadership of the new party going to Mr. Douglas, is he trying to work his way into the Liberal party?

Mr. Argue: I am afraid I did not hear the question, Mr. Speaker. I heard one or two things about it which might suggest what it was. However, I think perhaps the facts should be placed on the record. This afternoon the Conservatives have said that the Liberals did nothing. I have here in my hand the annual report for the first year in which the Prairie Farm Rehabilitation Act was operating. In this report I see no reference indicating water projects completed. Certain regrassing projects were undertaken. I see no record of these projects having been completed. Yet the latest annual report of the administration under the Prairie Farm Rehabilitation Act—that of 1958-59—shows that during the period of the operation of this act 49,204 water development projects were completed, 5,400 of them during the time of this Conservative government, but as far as I am able to ascertain, none of them by a former Conservative government. Therefore, out of 49,000 projects, the Conservatives can take credit for 5,000. The Liberals were in office when 44,000 were completed.

An hon. Member: What is the point?

Mr. Argue: The point is that we have heard this afternoon a great many foolish remarks that were not true and that have no basis in fact.

Mr. Horner (Acadia): I rise on a question of privilege. The hon. member is continually looking over at the seat of the hon. member for Medicine Hat (Mr. Brunsden) in referring to this particular act. I think that is whom he meant. The hon. member for Medicine Hat said that the legislation was brought in by a Conservative government and that Mr. Gardiner had used it as a good political vehicle. He never said that nothing was done.

Mr. Speaker: Order. The hon. member has not raised a question of privilege. Perhaps he did not intend to do so.

Mr. Argue: The hon. member not only wants to tell me what I am saying but where to look when I am saying it.

Under the community pastures project under the Prairie Farm Rehabilitation Act—and it is a very important development—a great deal has been done. A tremendous number of acres have been brought under the community pastures system. Land has been regrassed. There has been allocated and reserved for grass land which might otherwise have been put under the plow when it was not suitable for that purpose. The total area of land in pastures as shown at the end of this report for 1958-59 was 1,815,265 acres. Yet if one looks back at the acreage given under this project, one finds none before 1938. In other words prior to 1938 under a Conservative government not a single community pasture had been established. There are 64 community pastures today. The records show that 61 were established under the former Liberal government and that three have been established during this government's period in office.

I therefore suggest that the Prairie Farm Rehabilitation Act has proved to be a good act under which many worth-while projects have been established. I suggest that it is not accurate to say that under a Liberal administration nothing was done in this field. The fact of the matter is that members in all parts of the house, in all parties, over the years have been very much interested in conservation. John R. MacNicol, a long time Conservative member of the House of Commons, used to make this matter almost a full-time cause. Although he had little connection with the prairie areas or the agricultural areas of Canada, representing as I believe he did, a constituency in the city of Toronto, nevertheless, I think even the members of the Liberal party and the house will agree that he made an important contribution to conservation and to agricultural development.

Mr. McIlraith: The minister of agriculture of the day always said that.

Mr. Argue: Right Hon. J. G. Gardiner was prepared to give him credit for that contribution. Therefore, I do not think it should be necessary for the members on the government side of the house to try to pretend that nothing was done until this government arrived on the scene and that all of a sudden, by bringing in this bill and by printing a pamphlet and distributing it, agricultural conservation or improvement of soil productivity has become the order of the day.

When I rose, Mr. Speaker, I said that what we are really going to be interested in is to learn from the Minister of Agriculture the projects he has under way with the provinces or how many projects will be established. We wish to learn from him whether any provincial government intends to establish any projects during the present year and whether this program really will be under way and in operation during the current year. I should like to know the proportion of these projects that the federal government is prepared to finance.

I say to the government now that they had better do better under this act than they have done under the Crop Insurance Act. Twenty per cent will not do the job. Under the Prairie Farm Rehabilitation Act the federal government paid the whole shot. The provincial governments and the community pastures provided much of the land. As far as dugouts are concerned, the farmers have put up some money. It has been a smaller amount in recent years because the proportion paid by the federal government has been increased. The Prairie Farm Assistance Act, another act in the field of the maintenance of farm income about which this act has some things to say, has been paid for by the federal government and by the farmers, and under that act there was no endeavour to load the financial responsibility on the provinces.

I am not saying that the provinces have not some responsibility. I think they have some responsibility. I am not saying that the provinces should not be asked to contribute something under this act. However, I express the hope that, more in keeping with the responsibility accepted by the federal government under P.F.R.A. and under P.F.A.A., the federal government will accept the major financial responsibility and will not endeavour to foist it on either the provincial governments or the agricultural producers themselves. This act could be an excellent one. Time will tell. The administration of the measure will determine its real value, but I can tell hon. gentlemen opposite that in my

judgment the Prairie Farm Rehabilitation Act has been a good one and much has been accomplished through that act. This will need to be a very good act before it justifies replacing the Prairie Farm Rehabilitation Act.

I think the two can work together, and before we junk one we should be certain that this bill adds a great deal to the Prairie Farm Rehabilitation Act and does in fact bring about a very important extension of that act.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I have listened rather attentively to the debate this afternoon. I could not help but wonder, until the last speaker took part in the debate, what the line of debate would have been had the item of business appointed for today, the motion—

Some hon. Members: Order.

Mr. McIlraith: —by the hon. member for York-Humber (Miss Aitken), been proceeded with, and had the debate on that motion occupied three or four hours of the sitting. Had this bill come forward after that length of time, I wonder whether the content of debate on this bill would not have been sharply changed.

I am driven to the conclusion that it would have been sharply changed, because it has become apparent from the remarks of hon. gentlemen that they were using a pattern that they have developed on second reading of bills in this house; that is, the procedure of getting up and politely ignoring the part of the rules that has to do with repetition.

In any event, none of us raised a point of order about the repetitious nature of their speeches so I cannot raise it now. However, I should like to draw to the attention of hon. members the fact that the substance of their argument was repeated many times. It seemed to be that the Minister of Agriculture (Mr. Hamilton) is a fine fellow.

Some hon. Members: Hear, hear.

Mr. McIlraith: I have a recollection of reading in some of the books about the origin of our parliamentary system that all hon. members were presumed to be gentlemen. Indeed, that is the basis of the development of our system. In any event, that argument was made by all hon. members who spoke.

Then they went on to say that the minister was to be congratulated for bringing in this bill. Some hon. members went so far as to congratulate the minister, in effect, for using the taxpayers' money to put out—and one hon. member later admitted this in the crossfire—what was a piece of party propaganda, namely the pamphlet describing this act which has not yet been before parliament.

[Mr. Argue.]

Mr. Bell (Carleton): That was never admitted. On the contrary, it was denied.

Mr. McIlraith: Hon. members have followed this procedure and one can only draw the conclusion that had there been other business of the house ready perhaps there would not have been such repetition in debate. This measure was debated in the resolution stage; it was debated in the second reading stage. This is the second occasion on second reading of this bill on which the remarks seem to have been unduly extended by repetitious arguments.

Perhaps it would be in order to remind some hon. members who were hard pressed for remarks, and obviously ill-prepared for discussion of this subject—for instance, the maritime hon. members—that the marshlands rehabilitation legislation at the conclusion of the war was useful and proper legislation. I think hon. members will agree, and I notice the Minister of National Revenue (Mr. Nowlan) nods his head in approval.

That was a piece of Liberal legislation, as was the legislation having to do with water conservation on the east slope of the Rockies. That was also useful legislation in this field. All this legislation is of a nature that has always been of interest to hon. members of the House of Commons from all parties.

I recall very distinctly the speeches—I must say they were sometimes a little repetitious in the sense that they were repeated year after year; but I only say that by way of commendation of the hon. member—of the late hon. member, Mr. MacNicol. His speeches on this subject of conservation came up each year and he always had a new facet to add to them describing one of his trips to one or other part of the country by way of illustrating the need for conservation.

Mr. Macdonnell: He seemed to know every crossroads in western Canada.

Mr. McIlraith: In any event, what I wish to point out here is that the hon. members supporting the government today have obviously been dealing with this legislation in the way they have chosen—as is their right—because of the situation that the government simply had not taken the time to organize its business and prepare legislation for submission to the house.

That has become a habit this session and I would hope that at some time between now and Monday the house leader will see fit to bring forward the necessary provisions for submission to the house so that it will be in a position to deal with the government business that the government wishes to bring forward. I should also—

Mr. Churchill: Either talk about the bill or give me the right of reply.

Mr. McIlraith: I also wish—

Mr. Smallwood: Mr. Speaker, I rise on a point of order. I understand there is a rule in the house that nobody in the gallery shall make notes and I notice this being done.

Some hon. Members: Six o'clock.

Mr. Speaker: I see that it is six o'clock.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, on Monday and Tuesday there will be a supply motion. The business for the balance of the week, subject to change if the necessity arises, will be estimates, commencing with those of the Department of Northern Affairs and National Resources and followed by those of the Department of Fisheries. If the house makes good progress, another department will be called.

Mr. Pickersgill: I deliberately did not ask for the business because, since the government does not adhere to these statements any more, they do not seem to be useful.

Mr. Churchill: That statement is completely wrong and decidedly childish. It should be withdrawn, because the government does adhere to its order of business—

Mr. McIlraith: You said we would be dealing with estimates.

An hon. Member: Since when?

Mr. Churchill: —unless something occurs to prevent it or there is a lack of co-operation on the other side.

Mr. Speaker: The house sometimes sits beyond six o'clock to discuss the business of the house. I see that has been concluded. The house stands adjourned until 2.30 p.m. on Monday next.

It being two minutes after six o'clock the house adjourned, without question put, pursuant to special order.

Questions

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of debates pursuant to standing order 39:

OTTAWA—TEMPORARY GOVERNMENT BUILDINGS

Question No. 208—**Mr. Regier:**

1. How many temporary government buildings are there in Ottawa that are now over 10 years old?
2. Approximately how many employees are ordinarily working in these buildings?
3. Is the federal government intending, at an early date, to replace these temporary buildings?

Answer by: **Hon. D. J. Walker (Minister of Public Works):**

1. 17.

2. Approximately 12,000.

3. The intention is to vacate and demolish all these temporary buildings progressively as soon as permanent accommodation can be made available.

POST OFFICE DEPARTMENT PUBLICATIONS

Question No. 211—**Mr. Denis:**

1. How many copies of the publications: (a) *Letter Perfect* (b) *A la lettre;* have been printed and distributed to date under the authority of the postmaster general?
2. What has been the cost of such publications?
3. How many persons: (a) regularly employed by the government (b) from outside the government staff; have taken part in the preparation and drafting of these publications, and what has been the cost involved in each case?

Answer by: **Hon. W. M. Hamilton (Postmaster General):**

1. (a) Printed, 30,000; distributed, 20,000. (b) Printed, 5,000; distributed, 3,750.

2. $3,107.14.

3. (a) Several regular government employees spent short periods, over some months, in the preparation and drafting of the publication. It is not possible to assess the time spent or the amounts of money involved in this aspect of the work.

(b) Screencraft of Ottawa—$581.74 included in No. 2).

HOUSE OF COMMONS

Monday, May 8, 1961

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MEMBERS OF U.S. CABINET

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, while under ordinary circumstances no mention is made of those who are in the gallery, because according to tradition there are none who occupy positions other than on the floor of the house, I think hon. members will permit me to refer to the fact that there are in the gallery today two outstanding representatives of the United States of America, members of the cabinet of President Kennedy. I refer to Hon. Orville Freeman, secretary of agriculture, and Hon. Stewart Udall, secretary of the interior.

They are here in pursuance of the course being followed by our two nations whereby there is the widest possible consultation between members of the government of Canada and members of the administration of the United States. They are here to meet their opposite numbers, the Minister of Agriculture and the Minister of Northern Affairs and National Resources, and one or two other ministers. I am sure the house will join with me in a warm welcome to them, and at the same time we wish to convey through them to the President that we are looking forward with anticipation to the visit of the President of the United States and Mrs. Kennedy next week.

Hon. L. B. Pearson (Leader of the Opposition): It gives me a great deal of pleasure, on behalf of our party, to associate myself and my friends with the welcome that has been expressed to our distinguished visitors by the Prime Minister. They are, indeed, very welcome and I only hope they feel as much at home in Ottawa as we always do when we go to Washington.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, this group wishes to associate itself with the welcoming and kind remarks expressed by the Prime Minister and the leader of the official opposition. We trust that these gentlemen will enjoy their stay in Ottawa and learn a great deal.

STANDING ORDERS

REQUEST FOR LEAVE TO MOVE CONCURRENCE IN TENTH REPORT OF STANDING COMMITTEE

Mr. N. L. Spencer (Essex West): Mr. Speaker, I hope the house is in a little more amiable mood this afternoon. This motion stands in the name of the chairman of the standing committee on standing orders. I am the vice chairman of that committee. I wish, on behalf of the hon. member for York-Humber (Miss Aitken), to move:

> That the tenth report of the standing committee on standing orders, presented to the house on Thursday, May 4, 1961, be now concurred in.

Mr. Speaker: Does the house give consent to the hon. member to move the motion as suggested?

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I am not rising to withhold consent but to raise a point of order with respect to the motion itself. Your Honour will recall that the hon. member for Essex East attempted to move a motion on Tuesday, May 2, as a private member of this house, and Your Honour made an extended ruling at that time, the effect of which was that these motions that appear on routine proceedings affecting the business of the house can be moved only by the house leader. You pointed out specifically to the hon. member, as reported on page 4210 of *Hansard*:

> The hon. member raises the question of whether a private member can do the same thing.

In other words, he raised the question of whether or not a private member could move a motion with respect to the business of the house. Your Honour went on to say:

> I think it is clear that a private member can do so if he can use the notice of motion procedure which is open to private members under our rules.

Your Honour then went on to point out that this would be, at this stage of the session, a completely ineffective procedure because the notices of motion are not even printed. It does seem that so far as the house is concerned, the hon. lady, whatever she may be in the committee, is a private member of the house; yet her notice of motion is printed under "Motions" in the routine proceedings. The point I am raising is whether it is open to one hon. member who is not the leader of the house to move a motion with respect to the business of the house, and not open to another hon. member to do so.

Mr. Spencer: On the point of order raised by the hon. member for Bonavista-Twillingate, may I say this is a somewhat different point from that which was raised on Saturday. I feel that in speaking to the point of order I should bring to your attention, sir, the fact that these motions have been made customarily by members other than the member in whose name the motion stands.

Mr. Pickersgill: That is not the point.

Mr. Spencer: May I refer to the report of proceedings for February 5, 1954, when Mr. Harrison, who was chairman of the standing orders committee, presented the first report of that committee. He filed a notice of motion in his name for concurrence in that report on February 8, 1954. On February 8, 1954, Mr. Carter, for Mr. Harrison, moved concurrence in that report. This was not done by leave of the house.

In 1955 Mr. Harrison, having presented the first report of the standing orders committee on April 1, 1955, gave notice of motion for concurrence on April 4. However, on April 4 Mr. Hanna, for Mr. Harrison, moved concurrence in the report. Again Mr. Harrison, having presented the second report of the standing orders committee on May 28, 1956, and notice having been given for concurrence therein, Mr. Fairey, for Mr. Harrison, moved concurrence on June 8.

Coming to the present session or this present parliament—

Mr. Pickersgill: This is not the point at issue, Mr. Speaker.

Mr. Spencer: I will come to your point in a moment. On March 6 of this year, as found at page 2667 of *Hansard*, the motion for concurrence which stood in the name of the hon. member for York-Humber, the chairman of the committee, was moved on that occasion by the hon. member for Hastings-Frontenac (Mr. Webb), a member of the standing committee on standing orders. The consent of the house was not asked nor was it required on that occasion. Again on March 27—

Mr. Speaker: Order. I think I might save the house some time by saying to the hon. member that I think it is clear that the motion for concurrence in the report of a committee has for a good many years customarily been moved in the house by the chairman of the committee. Whether that procedure is in accordance with the rules of the house or is a practice that has grown up in contravention of the rules is really the point at issue, I think. However, before dealing with that matter, may I ask whether I am correct in assuming that the house will permit the hon. member for Essex West to move the motion on behalf of the hon. member for York-Humber?

Some hon. Members: Agreed.

Mr. Speaker: If the hon. member has anything further to say on the point of order other than giving instances of similar motions having been made previously, perhaps he would complete his statement and I will deal with it.

Mr. Spencer: Just on that point, Your Honour, may I say this. As I understood the point raised by the hon. member, it was that these motions should be made by the leader of the house. Am I not correct in that respect?

An hon. Member: Yes.

Mr. Spencer: All I can say, and I think all that need be said, in answer to that point, Your Honour, is that I have already given many illustrations where motions of this kind were not made by the leader of the house; nor has is it ever been the practice or the usage, as far as my research has indicated, that any such motion has ever been required to be made by the leader of the house.

May I say this also. If that were the requirement, then by analogy, motions dealing with late petitions which are to be referred to the standing committee on standing orders would normally then be made by the leader of the house. Yet the practice has been and is that they have not been made by him.

I can give many instances. Here is a motion made on April 21, 1955, with regard to Westcoast Transmission Company Limited, which was sponsored by Mr. Fairey. On this occasion Mr. Hunter moved that the late petition be referred to the standing committee on standing orders.

Again, on February 13, 1953, the sponsor of that motion was Mr. Macnaughton, who moved that the late petition be referred to the standing orders committee. In that case it was done by leave of the house, but in any event it was not done by the leader of the government.

On March 2, 1954, Mr. Hunter, who was not chairman of the standing orders committee but was chairman of another committee, moved for another sponsor, Mr. Balcolm, that a late petition relating to the Eastern Telephone and Telegraph Company be referred to the standing committee on standing orders.

Then we had the same thing happen in this house not very long ago. I cannot give the date, but the hon. member for Davenport (Mr. Morton) moved the reference of late petitions with which the standing orders committee dealt. These petitions are dealt with in this report. The motion referring

those petitions to the standing committee on standing orders was made as stated by the hon. member for Davenport and not by the leader of the house.

As you said the other day, sir, when I believe a motion was being made by the whip, a practice and usage that has been well established in this house should not be interfered with or changed without the strongest authority. Here are authorities from 1953 up to the present time where none of those motions was made by the house leader.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I think we are all indebted to my hon. friend from Essex West for the precedents he has laid down. It seems to me that all the arguments he has advanced in favour of the course that he proposes in respect of a motion moved by one private member would apply with equal validity to the motion proposed by my hon. friend from Essex East, I think on May 2.

With great respect, the point of order raised by my hon. friend for Bonavista-Twillingate does not deal with that matter at all. Perhaps it might save time if this motion were allowed to stand so that you would have time to consider the very important point of order raised by my hon. friend from Bonavista-Twillingate.

Mr. Speaker: May I ask the hon. member for Essex West whether there is any urgency to have this report reviewed?

Mr. Spencer: Mr. Speaker, may I speak to the question of urgency. We have standing on the order paper a bill respecting the Canadian Pacific Railway for the construction of a line which will provide employment not only in the construction of the railway but also in the plant or industry this railway is intended to serve. Unless this report is concurred in that legislation now standing on the order paper, which has already been passed by the other place, cannot be dealt with in this house.

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to point out, on the question of urgency, that it cannot be dealt with by this house until a week from tomorrow in any event.

Mr. Spencer: Mr. Speaker, may I say further, apropos the point made by the Leader of the Opposition, that I do not think the two motions are in any way analogous. The motion made by the hon. member for Essex East was an oral motion.

Mr. Martin (Essex East): It was later put in writing.

Mr. Spencer: It was not a motion made on notice. The point in issue there was whether or not it was within the power or privileges of an ordinary hon. member for the house—which of course hon. members sitting on the other side now are, in as much as they no longer occupy the treasury benches—to make such a motion orally. That was the point, and the only point, in issue. Any comments or observations Your Honour may have made must be interpreted in terms of the fact that the hon. member was attempting to make a motion, founded on oral notice of motion. If the proper procedure had been followed, it would be coming before the house under the order of notices of motions in the names of private members. That is not what this is; it is a motion on routine proceedings.

Mr. Speaker: I think since the question of the propriety of our practice has been raised it might be well if some consideration were given to it. However, we have followed the practice which has been used today for a good many years, and I should not like to interrupt a procedure which is well established without having clear authority to do so. It may be that we have developed a practice which is contrary to the rules, so what I propose to do is to accept the motion as it has been moved, without prejudice to the point being raised again, and I will give consideration myself to whether the house has departed from the rules in accepting a motion of this kind from a private member.

I have no difficulty in distinguishing this motion from the one which was made by the hon. member for Essex East, because there the question was whether his motion could come under routine proceedings. I was disposed to think that was a handicap, an obstacle, which the hon. member had not overcome, in addition to the question of lack of notice and the other question of whether the leader of the house should move such a motion. So I do distinguish the motion which has been referred to from this motion, which can clearly be made under routine proceedings and which has been made after notice. The only question is whether the leader of the house should undertake this responsibility.

I can cite one other instance where the leader of the house does not perform this responsibility. Formal and routine motions to change the personnel of standing committees have regularly been moved in the house by a private member rising and moving that certain names be substituted for others, and the house has accepted that procedure. However, I do not wish to determine the issue finally at this time, and if hon. members wish

to raise the matter further I shall be receptive to argument about it. But in the circumstances I will put the motion which has been moved by the hon. member for Essex West.

Motion agreed to.

BUSINESS OF THE HOUSE

ORDER OF BUSINESS FOR SATURDAY SITTINGS

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

That on Saturday, May 13, 1961, and every Saturday thereafter until the end of the session the order of business and procedure shall be as for Thursday, a government day.

Hon. Lionel Chevrier (Laurier): This motion would not have been necessary had the government been aware of the rules of the house and had the government not been asleep, as it has accused others of being, several days ago. This motion should have been moved long before Saturday—

Mr. Speaker: Order. Before the hon. member for Laurier proceeds on that line may I say that I do not think it is relevant to fight over again the battles of Saturday on this motion. The question before the house is whether the business next Saturday and on Saturdays after that shall be as stated in the motion. Anything anterior or ancillary to that discussion which is not necessary for the decision of the matter would, it seems to me, be beyond our scope.

Mr. Chevrier: I should first like to read the motion. It says:

That on Saturday, May 13, 1961, and every Saturday thereafter until the end of the session the order of business and procedure shall be as for Thursday, a government day.

I submit, with deference, that I have the right to deal with matters that are mentioned in that motion. Any attempt to infringe the right which I claim I have to deal with the matters which are contained therein would be, I submit, an invasion of the rights of a member of parliament.

I would say at the beginning that the necessity for this motion being placed on the order paper arose out of a defect in the amendment which was passed on April 24. When the house decided at that time to hold Saturday sittings, a motion such as this should have been passed. The house then decided to sit on Saturday, but no provision was made in that order for the business to be dealt with on that day. That defect could have been corrected by the government, and only by the government. However, until today and, of course, Friday, no action was taken by the government in this respect. Your Honour's ruling of May 2 is ample proof of my statement. Therefore I say the neglect of the government resulted in the fiasco which took place on Saturday. We were faced with a blank order paper.

[Mr. Speaker.]

Mr. Speaker: Order. With all due respect for the hon. member's point of view, as he has expressed it, it seems to me that this motion can have no bearing on what happened on Saturday, and what took place on that day is not relevant to the decision which the house has to make. The other comments which the hon. member is making seem to me to be relevant enough, but to my mind it would not be relevant to deal at length with the events of Saturday morning because this motion does not have any bearing on that particular situation.

Mr. Chevrier: May I respectfully disagree with Your Honour. When Your Honour says that this has no bearing on what happened on Saturday, this motion arises out of what took place on Saturday.

Mr. Churchill: No.

Mr. Chevrier: Were it not for what took place on Saturday this motion would not now be on the order paper. I submit with deference that I have every right to refer to what took place on Saturday. Your Honour has said that I should not refer to it at great length. I can assure Your Honour at once that I have no intention of so doing, because we intend to move an amendment to the motion to go into supply, and I do not want to take an unnecessary part of the time of the house in dealing with this.

I repeat, I believe that because of what happened on Saturday this motion is now on the order paper. It is evidence of the mismanagement of the business of the house by the government. In order to avoid putting the house in an absurd position Your Honour was obliged to rescue the government, to rescue the situation—

Some hon. Members: Order.

Mr. Chevrier: —with a ruling.

Mr. Speaker: Perhaps it is at that point that I disagree with the hon. member's view of what is relevant. He is within his rights in discussing the purpose and effect of the motion, but I do not consider him to be within his rights to make, as I have said, an extended review of matters which do not fall to be determined by this motion.

Mr. Chevrier: I repeat, I have no intention of making an extended review of what took place—

Some hon. Members: Sit down.

Mr. Chevrier: Well, let me tell hon. members who are so sensitive that I will sit down at the request of the Chair and at the request of no one else.

I was going to say, sir, that what happened on Saturday will unquestionably be a precedent for students of parliamentary procedure to study in the future. On several occasions prior to Saturday the government made reference to urgent public business, but on Saturday we saw what the conception of that urgency and expedition was in so far as the government was concerned. We heard 12 speakers on one of the items on the order paper. All those speeches added absolutely nothing either by way of material or in any other way to the proceedings of the house. Actually they considerably delayed the business of the house.

Mr. Churchill: You are criticizing one of your own members.

Mr. Argue: I rise on a point of order. The hon. member for Laurier has said there were 12 speakers. The figure on actual count is, I think, 17.

Mr. Chevrier: I thank the hon. member for the correction. In any event, sir, on April 24 the Prime Minister certainly led us to believe that would deal with supply. That was clearly established—

Mr. Speaker: Order. I am sorry; the hon. member apparently does not agree with my view of what is relevant. The decisions of the house on Saturday and the debates which took place are matters of the past. They are not in issue; they are not affected by this resolution, whether it is passed or not. They may be relevant to an explanation of the effect of what is proposed here. Therefore I would ask the hon. member not to get into any discussion of the events that took place during the debate which led to the decision on Saturday.

Mr. Chevrier: May I call your attention to the fact, sir, that this motion deals with the business on Thursday. The procedure to be established for Saturday is that which is followed on Thursday, a government day. Therefore I submit to you, sir, with deference that I have the right to deal with matters which could be discussed on Thursday, and that is what I was proposing to do.

Mr. Speaker: The hon. member is within his rights to discuss the order of business and the precedence of business on a Thursday, but not the business that took place on any particular Thursday in the past.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, on the point of order you have raised, surely it is in order on this occasion to discuss the antecedents of this motion, including the Prime Minister's statement on April 24, when he explained to the house that we should sit on Saturday to discuss, as he said then, matters which would not arouse controversy, non-controversial matters. This particular motion has no limitation of that kind. It merely states that we shall sit on Saturdays, from now on, deal with the business of the house as it is established for Thursday. But on Thursday any number of controversial matters could be discussed. Therefore, Mr. Speaker, if we pass this motion we are contradicting the commitment which the Prime Minister made to the house on April 24.

Mr. Speaker: I did not intend that my ideas of the limits of debate should prevent what the Leader of the Opposition has just now mentioned. What I wished to exclude from this discussion, since it is irrelevant, was a review of the proceedings of Saturday. I agree with the Leader of the Opposition that it is relevant to discuss the genesis of the extended hours and the business to be done during the extended hours.

Mr. Chevrier: Well, Mr. Speaker, without going into an extended review of what took place on Saturday, when this matter was discussed originally, there was, it seemed to me, a clear-cut understanding that we would be dealing with estimates and supply on Saturday. The Prime Minister gave that undertaking on April 24 and it was repeated in the house by the Solicitor General when he rose in his place on May 6 and said, as found on page 4453 of *Hansard*:

> Does the hon. member believe we do not wish to follow the statement made by the Prime Minister?

I continue:

> Mr. Pickersgill: The Minister of Finance said you did not.
>
> Mr. Fleming (Eglinton): I said that offer still stood.
>
> Mr. Browne (St. John's West): The Prime Minister made a very elaborate statement which should assure the members of the opposition that we have no intention of introducing anything of a controversial nature. We intend to go on with supply.

That was not done, notwithstanding the assurance given by the Prime Minister.

Mr. Churchill: The offer was made.

Mr. Fleming (Eglinton): You prevented it.

Mr. Speaker: If the hon. member will follow me I think I can make a clear distinction that is not one which will restrict him. What happened on Saturday with respect to supply is not relevant to this motion, which deals with what will be done on other Saturdays with respect to supply or whatever may be

called. I do not suggest that the hon. member for Laurier should refrain from raising the statement made by the Prime Minister or any other discussion of how our business is to be ordered under the motion we have before us, but I do say that it is irrelevant to discuss what actually was done last Saturday, because that was discussed then at length and disposed of.

Mr. Chevrier: I shall do my best to follow the suggestion made by Your Honour. Notwithstanding the assurance which was given, when the Acting Prime Minister realized from comments made by Your Honour that calling a supply motion would precipitate a debate, resort was then had to the order paper, page 4, and Your Honour knows what happened after that. The failure of the government to appreciate the consequences of calling a supply order on Saturday is further indication in my view of carelessness on the part of the government bordering on contempt in dealing with the business of the house.

Mr. Churchill: Nonsense.

Mr. Chevrier: As I look at this motion, Mr. Speaker, I submit to you that it is out of order and irregular.

An hon. Member: Read it again.

Mr. Chevrier: Well, you are smart; why don't you read it? I submit the motion is irregular for two reasons. First, I understand it was filed at 3:50 o'clock on the afternoon of Saturday and therefore, in accordance with the strict observance of the rule, there has not been the 48 hours' notice which is required. Then I ask this question of the government. Since this motion appears in the name of the Prime Minister, was the motion subscribed to by the Prime Minister, as it falls within the responsibility of every member of parliament to do in such instances. The hon. member for Essex East was told what the procedure was, in no uncertain terms, in a similar motion. It is the responsibility of every member of parliament when he places a motion on the order paper to see to it that it appears in his name and is subscribed to in his name. I ask the government, was this motion subscribed to in the name of the Prime Minister when he was not here but was in London, appearing on a political platform with the premier of the province of Ontario discussing the new theme for the next federal election?

Some hon. Members: Order.

Mr. Speaker: Order. Certainly the hon. member is going a bit afield and provoking a response which I shall endeavour to control, but if he will keep the proper line of debate on the motion it will be easier.

[Mr. Speaker.]

Mr. Chevrier: I think I am within my rights in putting these questions to the government. First, did the Prime Minister sign the motion, as he is required to do under the rule of the house? Second, if he did, how was it done when he was not in the city of Ottawa? He told us that Saturday would be a day when non-contentious matters such as supply would be discussed, but notwithstanding the fact that we were here on Saturday to carry on the discussion of non-contentious matters he was out of the house playing politics in the country. So I say that this motion is irregular under these two heads, and I ask Your Honour to give consideration to the two points that make the motion irregular and out of order.

Mr. Speaker: Perhaps the hon. member has raised a point of order which goes to the root of the motion and whether it can be made. It has been determined that if the house is sitting on Saturday a notice of motion filed on that day is to be taken up on the following Monday. The point is not novel, as it has been dealt with by Bourinot. In his fourth edition, page 296, dealing with motions and notice he says:

> If Saturday is a sitting day the notices handed in on that day will appear on the order paper on Monday.

Therefore I think we might dispose of that point on the basis of the statement by Bourinot. As to the other question, the hon. member has presented no evidence that the requirement has not been complied with, and I think the motion might proceed.

Mr. Spencer: On the point of order Mr. Speaker, may I assist by referring you to Bourinot, page 300, where I find the following:

> Members sometimes send in notices in the names of absent members who have requested them to do so.

Mr. Martin (Essex East): Never the head of the government.

Mr. Regier: Mr. Speaker, on that very point, may I say that I can remember other occasions when I and other colleagues of mine have been denied the right to sign our names on notices of other members.

Mr. Martin (Essex East): Everybody must be treated alike here.

Mr. Speaker: If there is nothing further to be said on the two preliminary points of order, I think I should remind the house that when the Prime Minister presents a motion of this kind he does so as leader of the house and not as a private member. I have not been satisfied that the point of order is relevant.

Mr. Chevrier: On the point of order, Mr. Speaker, I have made it my business to inquire in whose name—

Mr. Churchill: Where?

Mr. Chevrier: In the proper office.

Mr. Churchill: Which office?

Mr. Pearson: There is nothing secret about these matters.

Mr. Martin (Essex East): The Prime Minister was away politicking.

Mr. Chevrier: I have made it my business to look at the original, and it was not signed by the Prime Minister.

Mr. Churchill: On whose authority?

Mr. Speaker: Order. Would hon. members please give their attention to the member who has the floor?

Mr. Chevrier: Mr. Speaker I was just interrupted by the house leader, who said "On whose authority?" Surely we are in parliament, and under the rules of parliament any member has a right to inquire what the circumstances are. That interruption is ridiculous. Let me assure him that I have made it my business to inquire. The motion appears in the name of the Prime Minister on the order paper today. However, I have ascertained that the notice was not signed by the Prime Minister but rather the initials of the Minister of Veterans Affairs appear on the notice of motion, which I say is irregular.

Hon. W. J. Browne (Solicitor General): Mr. Speaker, I think the point is covered in citation 188, paragraph 2, of Beauchesne's fourth edition. I quote:

> A member of the government may act in behalf of a colleague in all cases—

Mr. Chevrier: Read the rest of it.

Mr. Browne (St. John's West): Very well:

> —including the proposal of new clauses to a bill, but with this exception, or in the case of an unopposed return, no motion can be moved save by the member in whose name the notice stands.

Some hon. Members: Oh, oh.

Mr. Robichaud: Try again.

Mr. Browne (St. John's West): I do not know why the hon. member for Laurier should be so hilarious, because what I have said is exactly correct. A member of the government may act on behalf of a colleague in all cases.

Mr. Pearson: May I intervene, Mr. Speaker, merely to say that in view of the obvious discomfiture of the government, and in order to expedite business, we are willing to allow this motion to be put.

Mr. Speaker: Well, the Clerk advises me that the motion, as presented to him, was in accordance with the custom in respect of motions in the name of the house leader or the acting house leader. He took the responsibility of accepting it and putting it on the order paper. Whether or not there is any anterior irregularity, I shall not explore at the moment, in view of what has been said by the Leader of the Opposition, and shall proceed with the motion itself.

Mr. Frank Howard (Skeena): I did not think it was possible, after last Saturday, for the government to make any more blunders, but apparently they are progressing along fairly well in that direction. I listened with interest to the hon. member for Laurier dealing with the statement of the Prime Minister to the effect that nothing controversial would be dealt with on Saturday, and so on. I thought the hon. member had been here long enough to know he should not take the Prime Minister's remarks at face value.

Some hon. Members: Shame.

Mr. Howard: This has happened on too many occasions for hon. members to shout "Shame".

I should like to deal specifically, Mr. Speaker, with the question of the order of business to be followed next Saturday and on subsequent Saturdays. The motion says that it shall be as for Thursday. Now, the house leader and, on one occasion, the Minister of National Revenue, made some rather impassioned comments concerning the rights of private members and the private members' hour. They said there were many hon. members who had notices of motions and bills on the order paper, and those members were entitled to deal with those matters. I draw your attention to the fact that there are some 67 items under public bills and orders, which include public bills in the hands of private members.

While public bills in the hands of private members are not allowed to come to a vote because of the embarrassing circumstances that develop therefrom, nevertheless, as I am sure members of the government would agree, the discussion on these bills affords private members an opportunity of expressing opinions on specific subject matters. Undoubtedly the government is influenced by these expressions of opinion and, undoubtedly, in subsequent years legislation is introduced covering these subjects. In this way a private member, whether he be on the government side or the opposition side, has an opportunity of expressing his point of view and eventually seeing

Division

that point of view come to fruition in legislative form. We have had a number of experiences of this kind.

When it was proposed to sit on Saturday, I think practically every member in the house was in agreement that we should have Saturday sittings. In fact, it was the hon. member for Port Arthur who moved that motion, and I seconded it. We did not hear too much objection from members, other than those who occupy the front benches to my left. Theirs was a sort of weak objection after the event. In view of the contribution that private members can make by discussing public bills, and as a sort of recognition by the government of the fact that the majority of members in this house were agreeable to sitting on Saturday, I move:

That the motion be amended by deleting the word "Thursday" and substituting therefor the word "Friday".

In this way some of the rights and opportunities of private members in this house could be properly recognized.

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

YEAS

Messrs:

Argue
Badanai
Batten
Benidickson
Boulanger
Cardin
Caron
Carter
Chevrier
Clermont
Deschatelets
Dumas
Fisher
Granger
Habel
Herridge
Howard
Leduc
McIlraith
McMillan
Martin (Essex East)
Martin (Timmins)
Mitchell
Nixon
Pearson
Peters
Pickersgill
Racine
Regier
Robichaud
Tardif
Winch—32.

NAYS

Messrs:

Aiken
Balcer
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Brunsden
Campbell (Stormont)
Chambers
Charlton
Chown
Churchill
Clancy
Coates
Comtois
Creaghan
Crouse
Diefenbaker
Dinsdale
Dorion
Doucett
Drysdale
English
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Forbes
Grills
Gundlock
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hanbidge
Harkness
Henderson
Hicks
Hodgson
Horner (Acadia)
Howe
Jones
Jorgenson
Jung
Kennedy
Kindt
Korchinski
Kucherepa
Legere
Lennard
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
Macquarrie
McBain
McCleave
McFarlane
McGrath
McIntosh
McLennan
McPhillips
McQuillan
Mandziuk
Martel
Martineau
Matthews
Milligan
Montgomery
More
Morissette
Morris
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nielsen
Noble
Nowlan
O'Hurley
O'Leary
Pallett
Parizeau
Pascoe
Paul
Payne
Phillips
Pigeon
Pugh
Rapp
Regnier
Richard (Kamouraska)
Rogers
Sevigny
Simpson
Skoreyko
Smallwood
Smith (Calgary South)
Smith (Winnipeg North)
Southam
Spencer
Starr
Stearns
Stefanson
Taylor
Thomas
Thrasher
Tremblay
Villeneuve
Webb
Weichel
Winkler
Wratten—115.

[Mr. Howard.]

Motion agreed to.

FISHERIES

ALTERATION OF LOBSTER SEASON IN CERTAIN DISTRICTS

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, on April 24 I announced that due to the late season and ice conditions in certain parts of the maritime provinces it was necessary to delay the opening of the lobster fishing season in districts 7-A and 7-B. Due to the persistence of these conditions it is now found necessary to further delay the opening of the season in those two districts from May 10 to May 16.

MOTIONS FOR PAPERS

OLD CUSTOMS BUILDING, WINNIPEG—DEMOLITION

Motion No. 99—**Mr. Argue:**

For a copy of all correspondence, telegrams, and other documents exchanged between the Department of Agriculture, the Canadian wheat board, and any individual or company, since January 1, 1961, in connection with the demolition of the old customs building situated at the corner of Main and McDermot avenue in Winnipeg.

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): May I request that this motion stand.

Mr. Hazen Argue (Assiniboia): On a point of order, I do not complain that it is not in order to ask that the motion should stand, but I would point out that it has been on the order paper now since April 11. Almost a month has gone by, and it would appear to me that it is time the motion was put to the house.

Mr. Jorgenson: The minister was here to deal with this question, but I am sure the hon. member will realize that with all the visitors the hon. gentleman has there are appointments he must keep.

Motion stands.

UNEMPLOYMENT BENEFITS TO CANADIAN WOODSMEN IN U.S.

Motion No. 117—**Mr. Racine:**

For a copy of all correspondence or telegrams exchanged since May 22, 1959, between the authorities of the states of Maine and New Hampshire and the government, with a view to having the unemployment benefits extended to Canadians employed as forestry workers in American territory.

Hon. Michael Starr (Minister of Labour): This motion is acceptable subject to the consent of the states of Maine and New Hampshire.

Mr. Speaker: Does the house agree to the motion subject to the limitation expressed by the minister?

Some hon. Members: Agreed.

Motion agreed to.

C.M.H.C.—DIRECT LOANS TO BUILDERS

Motion No. 120—**Mr. Hellyer:**

For a copy of all telegrams received by the federal government between July 1, 1960, and April 5, 1961, requesting the continuation of the government's policy to have Central Mortgage and Housing Corporation make direct loans to builders.

Hon. Noel Dorion (Secretary of State): There is no objection to this motion.

Mr. Speaker: Mr. Pickersgill, seconded by Mr. Carter, for Mr. Hellyer—

Some hon. Members: Oh, oh.

Mr. Speaker: Is there any objection to the hon. member moving the motion? I am unable to ascertain from the sounds I hear whether there is consent. Is the house agreed?

Some hon. Members: Agreed.

Motion agreed to.

ORDERS IN COUNCIL WITHOUT STATUTORY AUTHORITY

Motion No. 121—**Mr. Regier:**

For a copy of all orders in council passed between July 1, 1957, and the present day, for which no statutory authority existed.

Motion agreed to.

Inquiries of the Ministry

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Minister of Finance whether he can give the house his assurance that the budget will be brought down before the date of the forthcoming by-elections?

Hon. Donald M. Fleming (Minister of Finance): I forget for the moment the date of the by-elections.

Mr. Pearson: May 29.

Mr. Fleming (Eglinton): I do not think that has any relevance at all to the question asked by the Leader of the Opposition. I think he realizes that himself.

Mr. Pearson: Then will the Minister of Finance give the house an assurance that the budget will be brought down during the month of May?

Mr. Fleming (Eglinton): Whenever it comes down I am sure it will be soon enough for the official opposition.

EXTERNAL AFFAIRS

INDIA—INQUIRY AS TO CANADIAN PARTICIPATION IN LOAN

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to address a question to the Prime Minister arising out of a news report that the United States is prepared to lend to India $1 billion during the next two years if Canada, the United Kingdom, West Germany and Japan would match a loan of that kind. In view of a further report that India's five year plan is in trouble, is Canada giving any consideration to participating in making this or any other loan to India?

Right Hon. J. G. Diefenbaker (Prime Minister): Canada has been of great assistance to India under her foreign aid plans during the years. In so far as this specific question is concerned, that is a matter of government policy and it will not be announced by reason of a question asked on orders.

Mr. Argue: My question was this. Is the loan under consideration now?

Mr. Diefenbaker: The same answer applies to the subsequent question.

Hon. Paul Martin (Essex East): Can the Prime Minister say whether or not it is a fact, as reported in the New York *Times* yesterday, that Canada is being pressed by the government of the United States to increase her assistance to India to help that country in its third five year plan?

Inquiries of the Ministry

Mr. Diefenbaker: I have not read the New York *Times* article in question, but I am sure the hon. gentleman would be the last to suggest that Canada should act under pressure from any other country.

Mr. Martin (Essex East): Perhaps the Prime Minister would be good enough to answer my question.

Mr. Diefenbaker: What was the question?

Mr. Martin (Essex East): The question was, has Canada been pressed by the government of the United States along the lines I have indicated?

Mr. Diefenbaker: I thought the answer I gave was so complete that even the hon. gentleman would understand it.

Hon. L. B. Pearson (Leader of the Opposition): May I ask a supplementary question. Will the Prime Minister deny reports that the Canadian government has rejected a request to participate in this loan to India?

Mr. Diefenbaker: That question is like the old, old, hoary one; "Have you stopped beating your wife?"

LAOS—INQUIRY AS TO CURRENT SITUATION

On the orders of the day:

Mr. Heath Macquarrie (Queens): I should like to address a question to the Prime Minister. Can the Prime Minister indicate whether he has any information regarding the situation in Laos?

Right Hon. J. G. Diefenbaker (Prime Minister): I have a statement with regard to Laos, which I think I will make tomorrow rather than today.

[*Later:*]

Right Hon. J. G. Diefenbaker (Prime Minister): The hon. member for Queens asked a question in regard to Laos. I said I would answer it tomorrow. I now seem to have had the full report before me when I was asked the question, naturally expecting that some hon. gentleman opposite would be asking it.

On May 3 the Secretary of State for External Affairs informed the house that the commission had agreed on a report to the co-chairmen and was now ready to proceed to Laos to undertake its tasks of verification and supervision. On May 6 a message from the United Kingdom and Soviet governments, in their capacity as co-chairmen, was delivered to the international supervisory commission for Laos in New Delhi. In this message the co-chairmen indicated their agreement with the recommendation of the commission that it should proceed to Laos immediately after the belligerent parties had ceased fire. The co-chairmen considered that the basic task of the commission at present should be to fix the cease fire in accordance with the understanding reached between the belligerent parties, and to supervise and control it.

I am informed that the commission left New Delhi yesterday en route to Laos, and is expected to arrive shortly. Eleven officers, six non-commissioned officers and two communications technicians from Canada have left for Asia. Additional Canadian military and civilian personnel required in connection with the commission's task will be available if necessary. Those to whom I have referred left Vancouver last night by air on their way to Saigon.

Incidentally, the government has received no intimation that there have been any serious violations of the de facto cease fire which has existed in Laos since Thursday, May 4.

Hon. Paul Martin (Essex East): May I ask a supplementary question. Can the Prime Minister say whether it has yet been determined what functions other than the termination of the cease fire will be exercised by the international supervisory commission, and has Canada indicated its intention to be confined only to that particular assignment?

Mr. Diefenbaker: I have no information that any determination of either question has been made.

UNITED NATIONS

CONGO—INTERVENTION FOR RELEASE OF KATANGA PREMIER

On the orders of the day:

Mr. Laurier Regnier (St. Boniface): I should like to address a question to the Prime Minister. Will Canada support the request of Great Britain, made to the United Nations organization, to intervene immediately with the central government of the Congo to secure the release of President Tshombe of Katanga?

Right Hon. J. G. Diefenbaker (Prime Minister): I know of no such request on the part of the United Kingdom to the United Nations. However, I think the question makes it desirable that some reference be made to the alleged arrest of Mr. Tshombe, president of Katanga province. Canada believes that the Congolese must be allowed to organize and regulate their own affairs. If, in fact, criminal charges have been laid against Mr. Tshombe I am sure members on all sides of the house would hope that the trial would be conducted justly, fairly and without undue delay.

CONGO—INQUIRY AS TO PROTECTION OF CANADIAN FORCES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Prime Minister. Is he able to bring the house up to date as to the situation with respect to our Canadian forces in the Congo, in view of recent developments whereby other forces in the United Nations command have been slaughtered? I refer, of course, to troops of Ghana and a number of white officers. What are the orders to our Canadian forces, who are there on the authority of the government and the House of Commons, as to what they should do under such circumstances, and what equipment do they have for their own defence?

Right Hon. J. G. Diefenbaker (Prime Minister): I can understand the concern of the hon. member and members generally throughout the house with regard to recent events in the Congo. However, this is not a question that can be answered off the cuff, and I will give the hon. member a full and complete answer tomorrow.

ROYAL CANADIAN NAVY

REPORTED CANCELLATION OF PARADE BECAUSE OF ANTICIPATED RAIN

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of National Defence. Never did I think an occasion would arise when I would consider it my duty to query him in this way; I do so more in sorrow than in anger.

In view of the unprecedented cancellation yesterday of a parade by units of the Royal Canadian Navy to the cenotaph in Ottawa to commemorate the battle of the Atlantic owing to the possibility of showers, which did not occur, would the minister inform the house whether this represents a change of policy and whether, in future, units of the armed forces of Canada will not be permitted to take part in these commemorative parades should inclement weather be threatened?

Hon. D. S. Harkness (Minister of National Defence): There is no change in policy; neither, indeed, is any policy involved in this particular matter. Briefly, the circumstances were these. This parade had been ordered, and a decision had to be made by 7.30 in the morning whether to go ahead with it or not. The parade to the cenotaph was to be followed by a church parade to First Baptist church for the Protestants and to St. Joseph's church, I believe it was, for the Roman Catholics. If a very heavy storm should come on at the time of the parade it was not thought desirable to have men sit in their wet and cold garments for an hour or more inside the churches involved, and the time which would be involved in this parade.

A decision had to be made by 7.30 in the morning. The naval authorities at that time were advised by the meteorological people that very heavy storms would be taking place in Ottawa between ten and eleven o'clock. On the basis of that meteorological report the decision was made to cancel the part of the parade dealing with the laying of the wreath at the cenotaph, and the wreath was actually laid by myself subsequent to the church service.

Mr. Herridge: Does the minister not know that under similar threatening weather the command at Halifax did not think of the comfort of the units but considered it their duty for them to be present?

Mr. Harkness: The hon. member may, if he wishes, challenge the judgment of the people who were responsible for ordering this parade to take place or not to take place, but it was purely a matter of judgment on their part, taking all the factors into consideration, and I do not think he is in any position really to question it.

Mr. Winch: I have a supplementary question—

Mr. Speaker: I think the time of the house has been taken up sufficiently with this episode.

INQUIRY AS TO CONTRACTS FOR SUBMARINE CONSTRUCTION

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of Defence Production arising out of a news report in the *Financial Post* of May 6. Can the minister inform the house whether there is any truth in the statement that the government has decided to order six conventional submarines for the Royal Canadian Navy? If so, what is the amount of the contract?

Hon. Raymond O'Hurley (Minister of Defence Production): No, Mr. Speaker.

TRANSPORT

RICHELIEU WATERWAY—FORMATION OF JOINT U.S.-CANADA COMMITTEE

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, I should like to direct a question to the Prime Minister. Have representations

been made recently by the state department of the United States to the Canadian government with a view to initiating discussions on the possibility of a joint survey of the Richelieu river canal project, as announced by Senator Aiken of the United States Senate a short time ago?

Right Hon. J. G. Diefenbaker (Prime Minister): I will take the hon. member's question as notice.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to ask the Prime Minister a question supplementary to that which was asked by the hon. member for Richelieu-Vercheres. Is the Prime Minister aware that a sum of money has been set aside by the United States authorizing the United States corps of engineers to make a survey of the Champlain-Richelieu cut-off up to the United States boundary line? Does the Canadian government intend to set aside a similar sum of money for a like purpose on the Canadian side?

Mr. Diefenbaker: As to the first part of the question, I can say I have no such information. As to the second part, I can only add that when and if any decision is made in this regard the house will be made aware thereof. As the hon. gentleman knows, this matter has been asked for by the people concerned for a period of, I think, 70, 80 or 90 years. During the period from 1935 to 1957 there were requests for this, and I hope the hon. gentleman took the same interest in the matter then as he does now.

Mr. Chevrier: Mr. Speaker, in view of that contribution by the Prime Minister I think I should be allowed to say—

Some hon. Members: Question.

Mr. Chevrier: Yes, but—

Some hon. Members: Question only.

Mr. Speaker: Order. I am sorry; I cannot hear the hon. member for Laurier.

Mr. Chevrier: I was going to ask the Prime Minister a question, and it is this. Did the Prime Minister know or realize that during the time he mentioned, namely 1935 to 1957, the international joint commission had made a decision that until the St. Lawrence seaway had been completed the Champlain-Richelieu cut-off should not be considered? Is he aware of that?

Mr. Diefenbaker: Mr. Speaker, the St. Lawrence seaway did not start until long after 1935. During that period the hon. gentleman and those surrounding him did not show the interest in this project that they are showing today.

[Mr. Cardin.]

(Translation):

SOULANGES CANAL—REPRESENTATION BY CHAMBERS OF COMMERCE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to put a question to the Minister of Transport. On May 3, 1961, I asked him:

> May I ask a supplementary question? Since the discussions were started between the two governments, have any industrial corporations approached the government with a view to locating plants in the area set aside by the minister?

The minister replied:

> Not directly, Mr. Speaker, but a number of chambers of commerce in the area have made representations to have this federal government property set aside so they may have time to approach various industries with a view to bringing industrial construction into the area.

Mr. Speaker, I have in my hand the resolutions adopted by every chamber of commerce in Soulanges riding, and I notice that not one of them recommends that any portion of the canal be set aside. On the contrary, they favour the complete transfer of the property to the government of the province of Quebec.

(Text):

Mr. Speaker: Order. The hon. member may have been coming to his question but it seemed to me he was entering into a controversy over the statements made in the answer.

(Translation):

Mr. Chevrier: Mr. Speaker, I had to lay the premise of my question before putting it, and that is what I have done. I come now to the question. Could the minister tell the house what chamber of commerce of which he spoke has made representations—and here I quote his own words:

> To have this federal government property set aside so they may have time to approach various industries with a view to bringing industrial construction into the area?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I shall check my files and give the names of those chambers of commerce.

(Text):

THE CENSUS

INQUIRY AS TO METHOD OF CHOOSING ENUMERATORS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to address a question to the parliamentary secretary to the Minister of Trade and Commerce. My question is occasioned by the very detailed story in today's *Globe and Mail* by Stanley Westall

of how the Toronto census takers are picked. I should like to know whether the secretaries of the local Progressive Conservative riding associations outside of Toronto have a task similar to those in Toronto in getting applicants for these census jobs.

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): The hon. gentleman's question is based upon the false premise that the details given by Mr. Westall are accurate.

Mr. Fisher: I have a supplementary question. Has any consideration been given by the government to enabling many of the unemployed business, professional and clerical workers registered in Toronto to obtain these positions?

Mr. Morris: This question is not at all different from that asked on several occasions in the past and answered as I answer it now. The commissioners appointed to conduct the 1961 census of Canada are responsible for the appointment of the enumerators. Any person desirous of being retained in that work should get in touch with the commissioners.

Mr. Winch: Should they start all over again in Vancouver East?

Mr. Peters: I will tell you how they pick them in Timiskaming.

NATIONAL DEFENCE

REPORTED CLOSING OF U.S. RADAR SITES ON EAST COAST

On the orders of the day:

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): Mr. Speaker, I should like to address a question to the Minister of National Defence. In view of the report in Friday's *Gazette* that the United States plans to close some of its radar sites on the eastern Canadian seaboard, would the minister wish to comment and add further information?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, constant changes and improvements are being made in defence installations, and there have been negotiations going on for some very considerable time between Canada and the United States in regard to relocation of certain radar sites. Until these negotiations have come to a conclusion I will not be in a position to make any further statement.

Inquiries of the Ministry

TRADE

CHINA—CONVEYANCE OF GRAIN IN CANADIAN SHIPS

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I have a question for the Minister of Agriculture, and in his absence I will direct it to the parliamentary secretary. Arising out of the wheat deal with red China, can the minister indicate to the house whether any of the 276 million bushels of wheat and barley will be carried to China in Canadian ships?

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): I will take the question as notice.

INDIAN AFFAIRS

RESOLUTIONS REQUESTING BRINGING INTO FORCE OF SECTION 96A OF ACT

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to ask the Minister of Citizenship and Immigration whether she is in a position to answer the question which I posed on Friday last dealing with the liquor question as it relates to Indians.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Yes, Mr. Speaker. The answer to the first part of the hon. member's question is yes, but no objection having been received from the lieutenant governor to the request of the band councils concerned it is being recommended to the governor in council that these referenda be proceeded with to ascertain whether or not the Indians concerned desire to have liquor on their reserves in accordance with the laws of the province. Recent amendments to section 75 of the British Columbia government liquor act are being brought to the attention of the Department of Justice for appropriate study.

IMMIGRATION

STATEMENT ON BORDER CROSSINGS BY UNDESIRABLE PERSONS

On the orders of the day:

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I should like to reply to the question put on Thursday, May 4, by the hon. member for Trinity. Any person seeking temporary admission to Canada, unless of course he is a Canadian citizen or a person with Canadian domicile, must satisfy the examining immigration officer at the port of entry that he is a bona fide non-immigrant as defined in section 7 of the Immigration Act. Where doubt exists admission would be refused. The department has no control over admissions to the United States.

Inquiries of the Ministry

I might add that in 1960 immigration statistics show that almost 60 million persons, mainly United States visitors and returning Canadians, came into Canada across the international boundary. The hon. member will appreciate the impossibility of minutely examining this entire volume of traffic and the possibility that some persons in the categories mentioned may escape detection.

LABOUR CONDITIONS

PICTOU, N.S.—REQUEST FOR PROVISION OF WORK FOR SHIPYARD

On the orders of the day:

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, in reply to a question asked by the hon. member for Assiniboia on Thursday last of the right hon. Prime Minister, and which I took as notice at that time, I wish to state that from the month of November last the hon. member for Pictou has been pressing for work for his riding and especially for Ferguson Limited.

On the recommendation of the maritime commission, on December 21 the Royal Canadian Navy looplayer *Bluethroat* was allocated to Ferguson for refit at a cost of $75,000. It left the yard on May 3 last. One standard diving tender was, on recommendation of the maritime commission, allocated to this yard at a cost of approximately $350,000, and is to be completed by November, 1961. Under tender from the Department of Transport there is one pilot boat to cost $200,000, which is to be completed in the fall of 1961. Under tender from the Department of Public Works there is one eight foot Inch dredge with an approximate cost of $100,000 which is to be completed in the fall of 1961. We are expecting a recommendation from the maritime commission soon for the allocation of another refit job worth about $100,000.

COAL

CAPE BRETON—FURTHER MEETINGS OF LABOUR, MANAGEMENT AND GOVERNMENT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Mines and Technical Surveys. Can the minister report to the house whether any further action has been taken by the government to avert the closing of three coal mines in Cape Breton; and can he report to the house whether there have been any further meetings of the federal-provincial-U.M.W. committee dealing with this question?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, all I can say is that I understand the premier of Nova Scotia is working on a meeting with the government to be held very soon now.

Mr. Argue: Can the minister inform the house whether there has been any postponement in the dates of the scheduled closing down of these mines, particularly the one which is to close down at the end of the month?

Mr. Comtois: No, Mr. Speaker.

TELEVISION

SASKATOON—RECOMMENDATION OF BOARD OF GOVERNORS RESPECTING LOCATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether the Minister of National Revenue is in a position to answer the question I asked Friday about a television application in southwestern Saskatchewan.

Hon. George C. Nowlan (Minister of National Revenue): I have a report on the matter, but I did not bring it with me. I will answer the question tomorrow.

ADMINISTRATION OF JUSTICE

BRITISH COLUMBIA—INQUIRY AS TO REQUESTS FOR ASSISTANCE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Acting Minister of Justice. Would the minister inform the house whether the Minister of Justice has received any requests for assistance from the provincial government or any municipal authority in dealing with the recent unfortunate incidents in the Kootenays. If so, what has been the government's response to these requests?

Hon. W. J. Browne (Acting Minister of Justice): I thank the hon. member for giving me notice of his intention to ask this question. The answer to the first part of his question is no; no requests have been received by the Department of Justice up to the present time. Therefore the second part of the question does not apply.

SUPPLY

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee of supply.

UNEMPLOYMENT INSURANCE—DEPLETION OF FUND AND DENIAL OF BENEFITS

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, in the early days of the present session, and particularly in the period prior

to the Christmas recess, this government sought to introduce and succeeded in introducing a series of legislative measures which were mentioned in the speech from the throne, and which were directed primarily toward relieving the complex problems which the country is facing in this period of uncertainty and confusion.

The official opposition co-operated fully with the government and went so far as to waive the debate on the speech from the throne in order to enable the house to receive and discuss the government's proposals with a minimum of delay. The co-operation of the opposition was such that the specific proposals introduced by the government to deal with unemployment and the other economic problems were passed with a minimum of discussion. The co-operation was such that on the last sitting day before the adjournment for the Christmas recess, the house leader was in a position to state that the house, in the short period of 25 sitting days, had already dealt with five pieces of legislation, as well as the budget. The nature of this budget is well known to the country, and it has been said that it raised more questions than it answered.

Today, Mr. Speaker, is the 100th sitting day of the present session. One would be inclined to believe that in that period of close to six months, in 100 full sitting days, the government would have been in a position to introduce a piece of legislation which would have been directed toward correcting one of the best examples of maladministration and mismanagement by the government of the day. I realize that some of the members of the government are showing signs of anxiety, signs of uneasiness, which I can well understand, because at this very moment they are asking themselves, what amendment will the opposition present to this supply motion?

Some hon. Members: Oh, oh.

Mr. Robichaud: Well, Mr. Speaker, some hon. gentlemen opposite are laughing. Perhaps they are relieved. The subject of the amendment to the supply motion is one of grave concern to the entire population of our country. In this period of unprecedented indecision we have a government which has accepted the principle of responsibility, a government whose Minister of Finance (Mr. Fleming) when he sat on the opposition side showed such ardour for responsible government but who now rejects some of the responsibility which he so earnestly attributed to his predecessor. In the course of the present session, we have had numerous illustrations of the Minister of Finance shrinking away from his responsibility and from his part in responsible government. This is the same hon. member who, only five years ago, gave this house such impassioned lectures on the principles of responsible government, but who is now rejecting categorically any suggestions that he has responsibility for certain policies. He insists that he has no role in the matter at all.

The amendment which I intend to introduce at the conclusion of my remarks will concern not only the Minister of Finance but also another member of the government who, I notice, seems very anxious to be relieved of the anxiety facing him at the moment. I want to state now the subject which I intend to develop in more detail in initiating the debate on the amendment to this supply motion.

The employers and employees of this country are up in arms. They are not satisfied with the present administration's application of the Unemployment Insurance Act and regulations. The rapid and continuous depletion of the unemployment insurance fund is—

Mr. Fleming (Eglinton): I rise on a point of order, Mr. Speaker.

Mr. Chevrier: The minister is always rising on a point of order.

Mr. Fleming (Eglinton): With very good reason, too.

Mr. Chevrier: Yes, the minister is always interrupting members.

Mr. Fleming (Eglinton): Here is the pot calling the kettle black, the terrible tempered Mr. Bang from Laurier.

The hon. member who has the floor began by raising as a grievance, apparently, something in relation to the question of responsible government and whatever part the Minister of Finance was thought to have played in that issue. Now he is going on to a second question. It is a rule of this house, Mr. Speaker, that before any member, in such a debate, may pass on to a second grievance all hon. members who wish to be heard on the first grievance are entitled to be heard. The hon. member having chosen to raise this question as a grievance, I claim my right as a member of this house to speak in reply to it. The hon. member is choosing now to run away from that grievance and raise a second question. This has been typical of the tactics of the opposition in these supply motions during the present session.

On the last two supply motions, Mr. Speaker, which were on March 20 and April 24, you had occasion to make a ruling under just such circumstances to try to curb the excesses of the opposition and the way in

which they are seeking to ride roughshod over the rules of this house. The rights of other hon. members are at stake. The hon. member who has the floor on such a motion is not the only member who has rights in such a situation. He having chosen to make an attack in relation to this question of responsible government, and the relationship of at least one member of the government to that issue, I claim the right to discuss that subject before another grievance is raised in the house by anyone.

Mr. Robichaud: On the point of order, Mr. Speaker—

Mr. Speaker: With all due respect to the Minister of Finance, may I say it is true that the hon. member who was initiating a grievance used at first what has been fittingly described in the past as a scattergun. I do not think he came down definitely enough in his aim on any particular subject to say that he was introducing a grievance. It is true that he did connect the Minister of Finance with some issue of responsible government, but what issue I was not able to determine.

As I understood him, he now has raised as a grievance the administration of the Unemployment Insurance Act.

Mr. Chevrier: The Minister of Finance sticks his neck out on these subjects.

Mr. Robichaud: I thought I made it clear in my remarks that the amendment which I intended to introduce this afternoon had something to do with the responsibility of the Minister of Finance and the responsibility of another member of government. The amendment has to do with the application of the Unemployment Insurance Act and regulations.

As I have said, the rapid and continuous depletion of the employment insurance fund is one of the most urgent problems which this government is called upon to face in this session. We understand this problem will require an amendment to the Unemployment Insurance Act. The policies of the present government since taking office, and the actions of the government, have resulted in practically wiping out a fund over $920 million built up under a Liberal administration. The unemployment insurance fund, we all know, consists of moneys contributed by the employees, by the employers and by the government. These moneys are held in trust by the government and used for the payment of benefits to the unemployed.

When the act was introduced in 1940 by a Liberal government, it was introduced as an act to establish an unemployment insurance commission, to provide for insurance against unemployment, to establish an employment service, and for other purposes related thereto. Since its introduction in 1940 this act has been amended on various occasions such as in 1955, 1956, 1957 and more recently, 1959. Notwithstanding the amendments to the act or to these regulations the principle remained the same. It consisted of a fund contributed by employers, employees and the government for the payment of benefits to the unemployed. When the act was introduced in 1940, the mover of the resolution had this to say. As reported at page 1650 of *Hansard* of July 16, 1940, these are the words of Mr. McLarty, the then minister of labour:

> This done, it will be recorded of the present generation that at a time when we were bending every effort and endeavour to overcoming the enemy at our gate we were not unconscious of our duty and our obligation to promote the welfare and happiness of our own people.

On July 19, speaking on the second reading of this bill, the then hon. member for Essex East as reported at page 1779 of *Hansard* of that year, had this to say about this bill:

> I conclude by saying to the Minister of Labour, coming as he does and as I do from an area in which there is unemployment for many months of the year because of the type of industry that predominates in the community, he will have done nothing in his public life greater than to create this measure when he is able to say at the conclusion of this session, as I hope he will be able to say, to his people and to all the people throughout the country that one further great reform for a harassed group of our population has finally been realized.

It was realized, Mr. Speaker, again by a Liberal government.

In 1959, the present government saw fit to amend the Unemployment Insurance Act. As a result of the amendments introduced at that time the employees were estimated to derive additional benefits amounting to approximately $20 million per year. At the same time contributions by both employers and employees were increased by approximately 30 per cent. By such a move employers and employees were called upon to contribute yearly an additional $80 million or $90 million while the government's contribution remained at the same level or proportion. As a result of lack of policy by the present government that fund which was built up to $900 million under a Liberal government was being almost completely wiped out in less than four years of Conservative administration.

In addressing this house on April 4 of last year, I warned the government that, at the present rate of Canada's unemployment, the unemployment insurance fund would be just about wiped out by March 31, 1962. Mr. Speaker, I was a good conservative in my estimate at that time. I was accused at the time of being a prophet of doom and gloom. However, the fact remains that a fund which

had been depleted by almost $600 million since the present government took office in 1957 up to April of 1960, has now, a year later, reached an additional sum of $140 million, and to this will be added a further deficit of approximately $40 million when the figures for the month of April are made public. At the present rate the balance in the fund will be in the vicinity of $95 million to $100 million at the end of May and it will be even lower on the last day of June of this year.

While this fund has been going down over the last four years—and we must admit that it will be practically wiped out by this time next year—what action has the government been taking to safeguard this fund which was designed to be stable and self-perpetuating? Sessional paper No. 83 which was tabled on December 21, 1960, the very day on which the house took recess for the Christmas season, reports on the conclusions arrived at by the unemployment insurance advisory committee resulting from their meeting of October 27, 1960. I quote the conclusions arrived at as found at page 6 of sessional paper No. 83, tabled in this house on Wednesday, December 21, 1960:

> As hereinbefore stated the fund will probably be reduced at March 31, 1961, to under $150 million and by the end of the seasonal benefit payments, say at May 31st, 1961, will be not more than $85 million.
>
> The committee finds no grounds upon which to modify the recommendations contained in its reports of July 8, 1958, and July 27, 1960 and respectfully and urgently repeats its previous recommendations regarding increasing the government's contribution and also replenishing the fund by a grant as recommended in the July, 1960 report. The committee expressed confidence that the government will take suitable action.

As I said earlier, Mr. Speaker, five months have passed since the government was handed this recommendation and as yet no action has been taken. The government has failed to justify the confidence expressed by members of the advisory committee. What are the main reasons for this constant depletion of the fund which had proved to be so secure and so sound under the previous Liberal administration? I know that some will try to blame the inclusion or the admission of fishermen under the unemployment insurance benefits. May I say that this is not the reason; this is not the case. I want to remind those who are blaming the fishermen for the depletion of the fund that they had better revise their conclusions. In fact, the unemployment insurance advisory committee itself in its report referred to earlier, suggested that the loss to the fund by extending benefits to fishermen should be paid from sources other than regular contributions.

I will not undertake at this time to review or refute the recommendation made by the advisory committee so far as benefits to fishermen are concerned. However, what I want to make clear is the fact that a fisherman well earns and well deserves his unemployment insurance benefits. The majority of our fishermen on the east coast, with the exception of those in some sections of Nova Scotia and those in very few areas of Newfoundland, are engaged in fishing for a period of six months to seven months per year. During that period the majority of them work from 18 hours to 20 hours per day, and in most cases six days a week. When, as happens in my own constituency of Gloucester, the dragger fishermen leave the wharf after midnight on Sunday and do not return before the following Friday or Saturday, and when during this period their diesel motors have been running for 24 hours a day, when winter comes or when the month of November or December is reached, these men deserve to return to their families and draw their unemployment insurance benefits during the winter months. I challenge any hon. member of this house to get up and deny the right of these brave men to share in the scheme of this insurance against unemployment. When the season of storms is raging, when heavy sheets of ice are covering our harbours and inlets we cannot expect these men to remain at their usual occupations or to carry on with their fishing operations.

At this very late date, May 8, the Minister of Fisheries (Mr. MacLean), rose in this house and announced a further delay in the opening date of the lobster season. Why? For the very reason which I have just mentioned, because when here in Ottawa tulips are blooming in front of the parliament buildings, our fishermen of northern New Brunswick, of some sections of Prince Edward Island and the Gaspe coast are waiting anxiously for the ice to move out before they can go to sea and set their fishing gear. Those men deserve to share in the unemployment insurance benefits, and they cannot be blamed for the depletion of the fund which has taken place in the last four years.

It is true—and the reports of the advisory committee make reference to it—that they have contributed to the maximum amount of $10 million in a full year in draining the unemployment insurance fund. In fact in the first three years when the fishermen were drawing benefits, they contributed approximately $23 million to the fund's loss. If other means have to be found to finance the fishermen's share of the benefits, it is the duty of the government to come up with a satisfactory solution.

Neither am I prepared to accept the interpretation which the unemployment insurance commission today is imposing on certain fishermen with regard to contributions and benefits, particularly for the year 1959. I know of certain fishermen who have contributed to unemployment insurance stamps for the period they were engaged in fishing operations during the summer and fall of 1959. At the close of the season, in October or November, the fish buyer purchased the necessary stamps to be used in payment of contributions, in accordance with instructions received from officials of the commission. The insurance stamps were affixed in the fisherman's unemployment insurance book by the dealer, as the employer of the fisherman, or the buyer of his fish, on the basis of the gross value of his landings less the required 25 per cent to be deducted for expenses.

I know of instances where a number of fishermen were awarded certain benefits during the winter of 1960 based on their earnings during the fishing season of 1959, and only a few months ago, during the winter months of 1961 they were forced to pay back 50 per cent or more of the benefits they had received during the previous winter months.

If a fisherman is idle during the winter months it is because he cannot carry on his fishing operations, because he is prevented from doing so by ice conditions or other factors beyond his control.

The gallantry and courage of our fishermen must be recognized by every hon. member of this house. I am sure that none of us has forgotten the tragedy of the Escuminac fishermen in June, 1959, or the loss of a number of lives off the southern Nova Scotia coast only a month or so ago.

In fact, on this very day at 9 p.m. an investiture will take place in Fredericton by His Excellency the Governor General for the Escuminac fishermen. These fishermen will receive the British Empire medal for gallantry and bravery shown toward their fellow fishermen during the storm of June, 1959.

This is why I ask the question at this time, who is responsible for the depletion of the unemployment insurance fund, if not the present government? Who is responsible for a loss of close to $28 million from October, 1958 to September, 1960, a period of two years?

The unemployment insurance fund account consists of the funds contributed by employees, employers and the government. This fund is held in trust and used for the payment of benefits to the unemployed. The governing statute provides that these funds shall be invested in government of Canada direct or guaranteed securities only.

Who is responsible for the investments of the unemployment insurance fund, if not the governor of the Bank of Canada together with two other representatives appointed, one by the Minister of Finance and the other by the Minister of Labour (Mr. Starr)? The facts are that by the end of March, 1958—

Mr. Fleming (Eglinton): Will the hon. member permit a question?

Mr. Robichaud: Certainly.

Mr. Fleming (Eglinton): Of which minister of finance is the hon. member speaking? I think he must be aware that the appointments were made by my predecessors.

Mr. Martin (Essex East): That is not the point. The minister is responsible.

Mr. Robichaud: Is the Minister of Finance again shirking his responsibility? Is he not responsible for the appointments being made and for the job that is being done?

Mr. Martin (Essex East): The minister approached this whole thing with a dreadful display of financial incapacity.

Mr. Robichaud: At the end of March, 1958, approximately $400 million of the money in the fund was invested in government victory bonds. Why was there this surprising transaction in February, 1958, when the fund, which was already jeopardized, was used to purchase $15 million of a new long term bond issued by the Canadian National Railways at a time when this issue was experiencing very serious difficulty in the market?

Then, in July, 1958, came the famous conversion loan. Why did the unemployment insurance fund convert all its victory bond holdings, taking in exchange $89.7 million of the conversion loan maturing in 1961, $63 million of the 1965 issue and $154 million of the 1972 issue?

This fund was being managed not for the welfare and security of its beneficiaries, the unemployed of this country, the workers of this country, but to facilitate government debt management operations.

Mr. Fleming (Eglinton): That is as untrue as anything could be.

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

Mr. Pearson: The facts show it to be true.

Mr. Robichaud: Loss after loss accumulated to the unemployment insurance fund. The impact on the fund has been so obvious that from April 1, 1959, a system of advances to the fund had to be adopted by the government in order to avoid further sales of securities at such excessive losses to the fund.

As a result of such transactions, as a result of this mismanagement for which the government must share the responsibility, the unemployment insurance fund, from the time this government took office, has been deprived of close to $70 million, three times as much as was lost through payment of benefits to fishermen.

The Minister of Finance cannot deny this. In the report—

Mr. Fleming (Eglinton): He does.

Mr. Robichaud: —tabled on December 21 last we find a table showing month by month the losses to the fund from the sale of securities. I will not put all those figures on the record; there are too many. I mention in particular, however, that in some months losses have reached millions of dollars. I quote from this table, "Unemployment insurance fund selected figures taken from commission's monthly report", to illustrate my point. In 1958, in the month of November, $1,597,000 lost; in December, $3,169,000 lost; in February, 1959, $2,230,000; in March, $4,526,000. Later on, in 1959, in the month of December, $1,465,000. In 1960, in February, $3,209,000; in March, $2,825,000; June, $3,631,000; August, $1,393,000. And so on. The total losses exceed $28 million.

Surely, even if the Prime Minister (Mr. Diefenbaker) and his colleagues brag about the magnitude of the drain on the fund this does not justify the government in showing a reckless disregard for the resting trust laid upon it to protect the integrity of a fund which is the property of the employers and of the workers of this country.

It may be of some interest to members of this house and to the country to note while the fund is being continuously depleted, its revenues are increasing at the rate of $7 million to $8 million a month. In fact, for the 12 months ending September 30, 1960, revenues were $94 million above the previous year.

I have mentioned two causes which have contributed to some extent to the depletion of the unemployment insurance fund. These, totalling an amount in the vicinity of $100 million, represent but a minor portion of the fantastic reduction of over $700 million in less than four years. The main factor contributing to this depletion is, by far, the ever increasing number of unemployed which factor is responsible for this great drain and for this heavy load of payments during the last four years.

I cannot understand a party or a government which takes pride in increasing unemployment insurance benefits from $231 million to $415 million in one single year. This is, however, exactly what the present government is doing today in its pamphlet listing the records and accomplishment of the present administration.

The purpose of this fund is to pay benefits to an insured person when a specified contingency occurs. No insurance fund, no insurance of any kind, can exist under such a pressure as has been exerted on the unemployment insurance fund during the last four years. The plight of the unemployment insurance fund is a serious reminder that a country with 18 million people cannot afford to have three quarters of a million or more of its workers idle, producing nothing and acting only as a drain on the whole economy of the country. The man who draws unemployment insurance benefits of $25 or $30 a week is contributing very little to the gross national product of the country.

Year in and year out, unemployment may have become part of our Canadian way of life, but at no time in our history has it reached the high rate which is becoming an inevitable and established fact under a Conservative administration. How can a fund subsist with 869,000 claimants in February 1958, with 795,000 in the same month of 1959, with 823,000 in March of 1960 and 837,000 in March of this year?

Those same hundreds of thousands of claimants for unemployment insurance benefits are men without work and men seeking work. With very few exceptions, those same men or women would rather earn their living and that of their families by working by the sweat of their brows than remain idle at home with a mere $25 or $30 a week as their only source of revenue.

I agree, and I am the first one to admit, that there have been abuses, that there have been cases of fraud in connection with unemployment insurance benefits. It is the duty of the commission to take necessary steps to prevent such abuses and to take action against those who have been illegally receiving payments for unearned contributions. This does not mean, however, that qualified workers, men who for years have been accepted for benefits, should all at once be disqualified in order to salvage the perilous rate of the unemployment insurance fund.

Why should carpenters, painters and other types of workers be, all at once, automatically disqualified and deprived of benefits formerly awarded to them under similar conditions, as was done in February and March of this year. Why must a carpenter hired for a period of 14 to 18 weeks, to build a new home at a fixed rate of $10 or $12 a day, be deprived of his benefits if he becomes idle for a certain period during the winter months?

I know the minister will come back and tell the house that the unemployment insurance commission had no alternative in such cases. The minister will tell us that such decisions were reached following a ruling of the umpire appointed under provisions of the Unemployment Insurance Act as the final authority for deciding on questions of insurability, and that the commission is obliged to follow his interpretation.

I will ask the minister why has it taken the commission 20 years to obtain a new ruling on section 27(p) of the act which reads as follows:

—employment of a casual nature otherwise than for the purpose of the employer's trade or business;

Why should a widow who wants to have a new house built or her old house repaired or painted be denied the right to purchase unemployment insurance stamps for her employees? Why should a veteran who contracts to have a new home built under the Veterans' Land Act be prevented from giving his employees unemployment insurance stamps when he himself supervises the construction?

The widow in question needs a home to provide shelter for herself and her children, and her main interest or business is to remain in that home to look after her children. The veteran, whether employed as a civil servant or as a clerk, is not interested in hiring employees for his business or trade, but he is keenly interested in providing his wife and family with a new home.

Hundreds of cases have been brought to my attention in the last few months in which carpenters, labourers, and others have been deprived of their unemployment insurance benefits on the ground that they had been engaged in employment of a casual nature otherwise than for the purpose of the employer's trade or business. I ask again, why did it take the commission 20 years to arrive at such an arbitrary interpretation of the act?

The same employees who are being deprived for their benefits are being told, "Oh, yes, you can qualify for benefits if you are engaged as a carpenter or a painter, but what you have to do is to work for a building contractor who is licensed with the unemployment insurance commission and who is qualified to purchase stamps".

Is the minister aware of the effect of such a decision in rural areas where in many instances building contractors do not even exist? This means that an individual who wants to repair his house or build a new one must approach an outside contractor to do the job; that is, if he wants his workers to qualify for benefits. In many instances, this contractor will come in with his own men who also will be outsiders. I ask the minister, is this the kind of fair play promised by the Prime Minister in his bill of rights?

This house has been sitting for over five months, and the minister has known of this new interpretation of the act for some time. If there was no alternative, what has prevented the minister from introducing an amendment to the Unemployment Insurance Act which would have resulted in justice for thousands of workers who are now being deprived of benefits for which they normally would have qualified for a number of years? What did the minister do? Instead of taking action to protect the claimants involved, instead of taking action to prevent such injustice, orders were issued on March 27 to every post office in the country to return immediately form 419C, known as "Application to purchase unemployment insurance stamps as a casual employer".

The Minister of Labour was aware of what was going on, and notwithstanding the fact this house has been sitting for the last five months, we are still waiting for the amendment to the act promised in the speech from the throne. We on this side of the house have been warning the Minister of Labour and the government as to the necessity and urgency of replenishing the unemployment insurance fund. We have also warned the minister that if he hopes to use the same method he used in 1959 he will meet with serious objections from this side of the house, and he will no doubt incur the wrath of Canadian employers and employees.

Instead of acting at once, instead of taking the necessary steps to protect the rights of thousands of workers, the minister and the government have preferred to see this large number of claimants who were being denied unemployment insurance benefits seek new assistance under the social assistance act. In doing this the government had the assurance that 50 per cent of the cost of such assistance had to be borne by the provinces and the municipalities.

If the Prime Minister, as he stated in Prince Albert on February 14, 1958, had succeeded "in defeating the problem of unemployment" the perilous position of the unemployment insurance fund would not exist today. We remember that in Brantford on February 17, 1958, he said that "the humblest of our people will not be forgotten. The people who are unemployed will not be put in the false position of being put on relief". Well, this is actually what is happening today with the new interpretation of the Unemployment Insurance Act under which claimants are being denied unemployment insurance benefits which they have earned. They have had to go and beg for social assistance, 50 per cent

of which is paid by the provinces and the municipalities. Nobody has forgotten these words of the Prime Minister on a live telecast on February 18, 1958, when he said:

> As long as I am Prime Minister of this country I am not going to blame anyone for unemployment.

Again, on February 24 of the same year he said at Cornwall:

> We have acted. We are meeting unemployment. We have given young Canadians the hope. We have given them the vision.

The vision of the Prime Minister is very deceptive to the young and old of this country after four years of Conservative administration. It is very deceptive to the three quarters of a million unemployed who are depending on unemployment insurance benefits. For those workers who are without work the vision of 1958 has proved to exist only in the imagination of the Prime Minister.

Mr. Skoreyko: May I ask the hon. member a question. What is the source of this figure of three quarters of a million?

Mr. Robichaud: The hon. member must have been asleep. I have said that the claimants for unemployment insurance benefits amounted to 837,000 in March. This is still away above three quarters of a million. The figure was 869,000 three years ago and 823,000 last year.

Mr. Ricard: You are happy about it, too.

Mr. Martin (Essex East): Order.

Mr. Robichaud: That is the only kind of remark we can expect from the hon. member for St. Hyacinthe-Bagot.

Mr. Ricard: You are very happy about it.

Mr. Robichaud: The fact remains that the main reason for the present situation of the unemployment insurance fund is the large number of claimants, which figure has increased by at least 75 per cent to 80 per cent since the present government took office. In other words, if the present government had listened to the constructive suggestions made in this house by the Leader of the Opposition (Mr. Pearson), the hon. member for Essex East (Mr. Martin) and other opposition members, such a situation would not exist today.

The unemployment insurance fund is being depleted; it is being wiped out at an alarming rate and this government sits idle, refusing to take adequate measures to bring it back to the stable and self-perpetuating status it maintained under a Liberal administration. The measures introduced thus far by the government, designed to curb unemployment have proven insufficient and ineffective, and have failed even to bring to a standstill the alarming process of shrinking of the unemployment insurance fund.

Again I ask how can the unemployment insurance fund subsist when in the Atlantic provinces over 15 per cent to 20 per cent of the labour force is without work? How can it subsist when, as in my own constituency of Gloucester, as of mid-March, the number of unemployed totalled 8,150, representing 55 per cent of our labour force? If the hon. member wishes to know where I obtained these figures, may I say I happen to have the Saint John *Telegraph-Journal* of Friday, May 5, which carries this headline:

> 8,150 persons unemployed in Gloucester in mid-March—
>
> $3,783,063 paid in unemployment insurance benefits during year.

Oh, I know the minister will say that most of those applicants for unemployment insurance benefits are fishermen. Well, I ask the minister to read the article and he will find out that this figure includes 750 fishermen and 270 peat moss workers. The minister can take a thousand from the 8,150, if he wants to; he can take off the number of fishermen who are claiming benefits, but the fact will still remain that 50 per cent of the labour force of Gloucester county are unemployed today.

In Gloucester county we have vast possibilities. We have our primary industries of agriculture, lumbering and fishing. We also have one of the largest mineral deposits on this continent. If this government has the intention of protecting and expanding our economy I would ask them to take a good look at our possibilities. I would ask the government to divert part of its northern vision to those areas of New Brunswick where we also have the natural resources which, if brought into production, would add substantially to the general economy of the country and would reduce the number of claimants for unemployment insurance benefits.

Such halfway measures as have been introduced so far this session are not the kind of incentives which are needed to stimulate our economy and to bring the economy of the Atlantic provinces into line with that of other areas of the country. Such measures as the double depreciation scheme, which in the first five months of operation has not produced one single new job, cannot be considered as very effective in stimulating new industries in areas worst affected by present conditions of uncertainty, idleness and confusion.

Enacted in 1940 and coming into operation on July 1, 1941, the Unemployment Insurance Act remains one of the major items of social security legislation in Canada. It embraces almost 75 per cent of our labour force representing over 4 million wage and salary earners

to whom has been paid to date well over $3½ billion in benefits. It is a compulsory form of insurance established by the state to afford protection against unemployment if and as long as the insured worker can satisfy certain conditions. In recent years the unemployment insurance fund has become a source of temptation for a government ready for expedients but unprepared and unwilling for fundamental action on its part to assume its share of responsibility.

I therefore move, second by the hon. member for Beauce (Mr. Racine):

That all the words after "that" be deleted and the following substituted therefor:

"This house regrets the failure of the government to ensure sound administration of the Unemployment Insurance Act, resulting in the depletion of the financial resources of the fund and new arbitrary administrative procedures which deny benefits to casual employees."

Mr. Speaker: Unless any hon. member wishes to comment, I shall put the amendment before the house.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, in my view the amendment placed before the house by the hon. member for Gloucester (Mr. Robichaud) is a very timely one. I think the fact of the matter is that the unemployment insurance fund has been subjected to pilfering almost to the point of being rendered bankrupt and non-existent. The fact of the matter is that the government, because of its failure to adopt a full employment policy, has made use of the fund for a purpose which was never intended when the act was placed before parliament in 1940.

As I understand the purpose of the Unemployment Insurance Act and the unemployment insurance fund it is to provide by way of an insurance measure a sum of money, a fund, credited to the account of an individual and available to that person should he become unemployed under certain circumstances in the future. The purpose of the fund was to take care of that period of time which would ordinarily elapse between the worker losing his present employment and acquiring a new job. The purpose of the Unemployment Insurance Act was really to take care of frictional unemployment. Its purpose was to take care of a minimum amount of unemployment and it was designed to provide certain income protection in what was by and large an economy of full employment.

The fund and the plan worked very well as long as we had relatively stable employment, but the fund became endangered and suffered tremendous losses the moment the government failed to maintain something approaching full employment. The government has gone to the country in a couple of elections on a full employment policy. It has pledged to the people of Canada that it would bring about full employment, that it would maintain full employment, but the unemployment insurance fund is a statistical record of the absolute failure of the government.

In December, 1956, the fund stood at $934 million. That amount had dropped to $874 million by March 31, 1957, and it has been on the way down at a very alarming rate ever since. On March 31, 1958, the fund stood at $744 million. On March 31, 1959, the amount was $499 million, on March 31, 1960, $365 million and on March 31, 1961, $185 million. It is very apparent that unless there is a tremendous improvement in employment in Canada or extraordinary steps are taken by the government the fund will be bankrupt and non-existent in a very short while. The state of the fund demonstrates to all the colossal failure of the government to provide anything approaching a full employment policy.

The government has given a number of excuses why it has been unable to provide full employment. In his baby budget speech the Minister of Finance (Mr. Fleming) said that one of the reasons for so much unemployment was that so many babies were born in Canada during the war. I have said on other occasions that I have never heard the excuse used before that there are too many babies born in Canada from the standpoint of full employment.

Mr. Pickersgill: I took the opposite view.

Mr. Argue: I have never before heard the love life of the Canadian people blamed for widespread unemployment. We used to hear from hon. members opposite that there was too much immigration and that this was the cause of unemployment, that if we could just cut off the flow of immigrants the whole question would be solved. The government has reduced the flow of immigrants into our country and the amount of unemployment has gone up at the very same time.

Apparently hon. gentlemen opposite are now following the philosophy that if they can just make it more difficult for people to get money out of the fund this will save it. If they stop payments out of the fund I suppose they will protect it, but I think hon. gentlemen will be making a mistake if they apply some of the means of saving the fund that have been suggested.

I want to support the protest that has been made relating to the new interpretation of the act so far as paragraph (p) of section 27 is concerned. Under this new interpretation many carpenters, many artisans, have been

denied unemployment insurance benefits because they have not been working for contractors but for individuals. According to this new interpretation they are not eligible for unemployment insurance benfits, even though stamps have been placed in their books.

The government adopted a winter works program which I think has been of some help. It would seem to me that part and parcel of a winter works program—

Mr. Martin (Essex East): Limited help.

Mr. Argue: The hon. member for Essex East (Mr. Martin) says "limited help". It was not unlimited help, but I think it was of some help. If this program is to work at all, then surely the government should not be allowed to deny, through interpretation of the Unemployment Insurance Act, unemployment insurance benefits to carpenters and others who are engaged in the construction industry but who have not been employed by contractors.

I suggested earlier that what is needed now is not just a winter works program but a summer works program. Apparently there is going to be widespread unemployment during this summer. This particular feature, which has been so rigidly interpreted by this new ruling, is causing very great hardship among carpenters and others. I have received a number of letters protesting this new regulation. I want to tell the minister that in our judgment, if this is to be the interpretation of this particular section of the act, an amendment should be introduced to restore the benefits to persons from whom those benefits have now been taken.

Mr. Starr: May I ask a question at this point? Is the hon. member saying that anyone who wishes to buy stamps should be able to do so without being registered as an employer?

Mr. Argue: I am not saying that at all.

Mr. Starr: That is the only way it could be done.

Mr. Argue: I am saying that the new interpretation is too rigid. It is causing undue hardship and it is discriminatory against people who are bona fide workers and who, in our judgment, should be covered by this act as they have been covered in the past.

Mr. Starr: May I ask another question?

Mr. Argue: The minister can make his speech—

Mr. Starr: I just want to ask a question.

Mr. Argue: The minister can make his speech at a later time—

Mr. Starr: I just want to ask a question.

Mr. Argue: I know the minister is the fidgety type who finds it difficult to sit still. When he knows he has not a case he jumps up more frequently.

Mr. Starr: The hon. member does not have a case; that is his problem.

Mr. Argue: I think the case is very good.

Mr. Starr: I do not think the hon. member knows what he is talking about in connection with this question.

Mr. Argue: The minister can make all the statements—

Mr. Speaker: Order, order; if we have fewer interruptions we shall get along faster.

Mr. Argue: I am suggesting that the minister should introduce amendments to the act which would make it possible for those who have been denied benefits to receive them in the future. Those benefits have been available to others in the past. The minister can take the attitude, if he likes, that these people should never be paid. We suggest that they should be paid.

The fund is in a bad way largely because the government has failed to provide full employment, not because of certain misuses of the fund which may exist. This is not the main reason the fund has gone down. Surely all the abuses of the fund about which we have heard did not originate during the period of the Conservative government. It is strange in my opinion that the Canadian people, under a former administration, did not appear to be abusing the fund. If one listens to some hon. gentlemen opposite, one hears that the fund is being raided now by countless people who are abusing it, who have no right to benefits. It is strange that under a Conservative government the people of Canada appear to have lost their morality, according to hon. members opposite, and want to pilfer the fund.

In years gone by, what was the complaint? The complaint from a great many insured workers was that the fund was being built up very rapidly, and that steps should be taken to lower the contributions because the fund was going up and up. Under the Conservative government, the fund has been going down very rapidly. Except for the steps taken in 1959 to increase the contributions by some 30 per cent, when the benefits were increased by only 10 per cent, the fund has continued to go down.

Mr. Martin (Essex East): The benefits were never increased.

Mr. Argue: There was some slight increase.

Mr. Martin (Essex East): No.

Mr. Argue: The hon. member for Essex East can make his speech when the time comes. The hon. member takes the attitude that the Tories can never do anything right; that they are always wrong in every detail. I think the hon. member for Essex East would make a much stronger case if he were prepared to admit that sometimes hon. gentlemen opposite do introduce certain improvements to certain legislation. The hon. member can deny my statement, but the Canadian Labour Congress made this comparison and said benefits were increased 10 per cent, while contributions from the workers were increased some 30 per cent.

Mr. Martin (Essex East): The Canadian Labour Congress made no such statement; I am surprised.

Mr. Argue: The hon. member for Essex East is an authority on a lot of things but he is not an authority in this case because he is wrong in the statement he has made.

This is not the only way in which the government has brought about a reduction in the fund. There has been mismanagement of the securities in the fund. The hon. member for Gloucester (Mr. Robichaud) pointed out that the amount of money that had been lost from this fund by this means totalled some $21 million.

Mr. Martin (Essex East): No, over $70 million.

Mr. Argue: Over $70 million; this represents the amount that has been lost from the fund because of the forced sale of government securities at fire sale prices. We know that at the time of the conversion loan the Minister of Finance twisted the arms of those who have something to do with investments by the unemployment insurance commission.

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

Mr. Argue: They purchased the reconversion bonds and the fund has been losing money ever since because of the action taken by the government and because of a very depressed bond market at the present time.

Mr. Fleming (Eglinton): A shocking misstatement; perversion of the truth.

Mr. Argue: I heard that. I suggest that $70 million is pretty expensive, and the fund is down to less than $200 million at the present time. The basic reason that the fund is almost bankrupt is the complete failure of the government to provide anything approaching a full employment policy. If this government maintains its present policy, if it continues in its failure to meet the unemployment situation, it will be only a matter of months until the fund will be completely bankrupt.

The Prime Minister (Mr. Diefenbaker) has been out politicking recently. He was in southwestern Ontario on Saturday when a motion was filed in the government's name but wound up appearing on the order paper in the Prime Minister's name.

Mr. More: You were in Regina.

Mr. Argue: I was here Saturday, and I made a few speeches. The Prime Minister was in southwestern Ontario and he was launching something. I am not sure what it was but the press suggests that an election may not be far away because Mr. Frost was with him, and if the Prime Minister is to get any support from the country he will have to lean very heavily on the premier of Ontario. However, the Prime Minister told us that the reason Conservative support in the country was not so good was that the story was not being told of all the government's wonderful legislation; according to him the reason was just a failure to get the story across.

May I say this. The Prime Minister had a northern vision in the last election. The public knows what happened as a result of that vision in the last election. We have had more unemployment than we have had at any time since the 1930's and the unemployment insurance fund is almost depleted. Yet the Prime Minister's answer to this sorry state of affairs is another vision.

I have here a newspaper article which states, in part, "P.M. sets election theme of a new Canada." It was not enough that he had one vision that turned into a nightmare; he is going to have another one. The people of the country cannot afford a second dose of the vision. We cannot afford to keep in office any longer a government that fails to provide full employment and bankrupts the unemployment insurance fund.

We have before us an amendment that we are prepared to support but we should like to move a subamendment. In this subamendment I have pleasure in suggesting that the honourable thing for the government to do is to reimburse the unemployment insurance fund to the extent of the drain that has been brought about by reason of abnormal unemployment with this administration in office. This we suggest is a reasonable thing to do.

Mr. Martin (Essex East): It is the only thing to do.

Mr. Argue: The unemployment insurance fund was established in the first place not

as a substitute for full employment but as part of a full employment policy to take care of the 1 per cent, 2 per cent or up to 3 per cent of the labour force that might happen to be unemployed at any given time. In order to maintain the fund, in order to maintain intact the contributions that have been placed in the fund in good faith, we are suggesting that the government should consider reimbursing the fund from the public treasury by the amount that has been lost from excessive unemployment. I therefore move, seconded by the hon. member for Timmins (Mr. Martin):

That the amendment be amended by deleting the period after the word "employees" and adding thereto the following words:

"and its failure to give consideration to the reimbursement of the fund from the public treasury for the excessive depletion it has suffered as a consequence of the recent abnormal unemployment".

I point out that the subamendment has been carefully drafted so that it should not be interpreted as being a direction to the government to pay funds from the national treasury, something which a private member cannot move; rather, it expresses an opinion of the house, namely that the government should give consideration to the reimbursement of this fund from the public treasury for the excessive depletion it has suffered as a consequence of the recent abnormal unemployment.

Mr. Speaker: Unless any hon. member wishes to comment on the proposed amendment to the amendment, I shall place it before the house.

Mr. J. F. Browne (Vancouver-Kingsway): Mr. Speaker, in the remarks of the last two speakers, speaking as they were for their parties, we have seen once more a demonstration of the complete irresponsibility of the opposition in this house—

Mr. Fleming (Eglinton): Hear, hear.

Mr. Browne (Vancouver-Kingsway): —and of their absolute failure to do anything —in fact their determination to do absolutely nothing—to assist in the solving of any problems that might be facing this country. Rather, they take their stand, as they have done in the past, in condemning whatever is done without any regard to what might be done to help the situation.

Mr. Martin (Essex East): Mr. Speaker, I rise on a point of order. The hon. gentleman has said that opposition groups have taken a position this afternoon only for the purpose of expressing their opposition and not of furthering the interests of the country.

An hon. Member: That is right.

Mr. Martin (Essex East): That is what the hon. member has said.

Mr. Fleming (Eglinton): That is true.

Mr. Martin (Essex East): The Minister of Finance (Mr. Fleming) that continual interrupter, says "That is true".

Mr. Fleming (Eglinton): Hear, hear.

Mr. Martin (Essex East): Those are unparliamentary words on the part of both the hon. member and the minister and this unintelligent laughter only confirms what I have said.

Mr. Speaker: Order. Will the hon. member for Essex East (Mr. Martin) allow me to secure a better hearing of his important point of order? I hope hon. members will not interrupt. I am sure all hon. members want to know what the difficulty is.

Mr. Martin (Essex East): Mr. Speaker, it is contrary to our practice for any hon. member to impute motives. If we in this particular Liberal party take a position and it does not satisfy hon. gentlemen opposite, that does not mean to say that we are not acting in the national interest as we see it.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): The hon. gentleman has made a statement that he should withdraw. It was the kind of statement which was made the other day by the Prime Minister and which should have been withdrawn. Hon. gentlemen opposite continually do this sort of thing.

Mr. Speaker: Will the hon. member indicate specifically the imputation which he feels is objectionable.

Mr. Martin (Essex East): Obviously Your Honour was preoccupied at the time it was made. The hon. gentleman said that once again the opposition had indicated its irresponsible attitude toward public matters.

Mr. Fleming (Eglinton): Hear, hear.

Mr. Starr: Hear, hear.

Mr. Martin (Essex East): The Minister of Finance and the Minister of Labour (Mr. Starr) say "hear, hear". The Secretary of State who is acting responsibly is silent. These gentlemen who hold responsible positions on the government side continue to applaud this remark of the hon. member for Vancouver-Kingsway. It is not open to any hon. member to make such imputations. I would ask you, Mr. Speaker, to ask the Minister of Labour to act as a mature and sophisticated member.

Mr. Starr: You make me laugh.

Mr. Speaker: It is contrary to the rules of the house to make offensive statements about any hon. member or to impute to any hon. member improper motives. There was a general allegation of irresponsibility directed to the opposite side of politics or the opposite side of the house, as I heard the hon. member for Vancouver-Kingsway (Mr. Browne), and of motives which perhaps are not desirable but there was no imputation of any immorality and I do not think the remarks go as far as the hon. member suggests they do.

If the hon. member for Essex East were concerned personally and had been named, I would give the hon. member for Vancouver-Kingsway an opportunity to modify what he said. However, as it was a general allegation I think it is unnecessary to do that.

Mr. Martin (Essex East): Mr. Speaker, I should point out that the hon. gentleman did refer to two hon. members. He referred particularly to the last two speakers, the hon. member for Gloucester (Mr. Robichaud) and the hon. member for Assiniboia (Mr. Argue). Then the hon. member made a general comment of an umbrella kind which would include others.

I say to you, sir, with great respect, that those were improper words and should not be allowed to rest without being challenged by the Chair.

Mr. Speaker: I am sorry; I cannot agree with the hon. member. Will the hon. member continue.

Mr. Browne (Vancouver-Kingsway): Mr. Speaker, I wish to clear up this matter at once. I was not insinuating that the hon. member for Gloucester (Mr. Robichaud) or the hon. member for Assiniboia (Mr. Argue) are any more irresponsible than other hon. members of the opposition.

If there were any unintentional slight on those hon. members I would certainly be prepared to modify that.

We have heard a barrage of complaints about the unemployment insurance fund being depleted. I think this is a serious problem facing the country and the government, and the government has recognized that by indicating its intention to bring forward at this session of parliament amendments to the Unemployment Insurance Act.

Mr. Martin (Essex East): They should have been brought in months ago.

Mr. Browne (Vancouver-Kingsway): I should think the fact that the government has stated its intention well in advance of bringing forward legislation gives the opposition and anybody who is willing to contribute to the solution of the problem an opportunity to bring forward suggestions as to how it should be done.

However, as usual the opposition have failed to take that up; they have failed completely to offer any suggestions except the one suggestion that they make on all problems that face Canada, that we should print some more money and pay it out of the federal treasury. That seems to solve everything in their view. Perhaps if we make a few more printing presses and print money faster we will be able to solve all problems on the basis upon which they want to solve them.

Then they turn around and tell us that the fund is going down very quickly; it is going to be bankrupt and we are going to face very dire consequences. Immediately they get past that point they complain, not that we are paying out too much money but that we are not paying out enough. They tell us that many people are being deprived of their right to draw from the fund and all kinds of people are being deprived of proper benefit.

Mr. Martin (Essex East): That is right.

Mr. Browne (Vancouver-Kingsway): I am not suggesting more people should not be covered by the act and should benefit, but I hope I have enough responsibility to offer some suggestion as to how this can be brought about other than by printing more money.

Mr. Pickersgill: Provide more employment. Give them the work the Prime Minister (Mr. Diefenbaker) promised.

Mr. Browne (Vancouver-Kingsway): Yes, we had some great suggestions for creating employment in this country from the opposition, but—

Mr. Pickersgill: We had wonderful ones from the Prime Minister in 1958.

Mr. Browne (Vancouver-Kingsway): —I suggest that if all the working people are to be covered by the act, it must be put on a proper, paying basis. Unemployment insurance has been the greatest protection the working man has enjoyed not only in this country but throughout the world.

Many of the people who have studied this subject in great detail have come to the conclusion that unemployment does occur from time to time in all countries of the world, and it has occurred for the past 600 years. We are not likely to stop it overnight.

I notice that in a publication by Louis Pink entitled "Freedom from fear" it is said:

> After 60 years of experience, Great Britain has decided that their unemployment insurance system must remain the major method of meeting unemployment.

I could go on to quote many other statements in this regard. My very strong feeling is that if the Unemployment Insurance Act is amended along lines which will provide adequate protection for the unemployed of this country, it will at the same time do a great deal to alleviate unemployment.

Some time ago I gave notice of a motion to the house in connection with amendments which I felt should be made to the Unemployment Insurance Act, but because of the business of the house it was not possible to bring that motion forward.

Mr. Martin (Essex East): Thank goodness for that.

Mr. Browne (Vancouver-Kingsway): I should like to suggest to the government that these amendments to the act be considered. The resolution I placed on the order paper under date of January 31 was as follows:

> That, in the opinion of this house, the government should give consideration to amending the Unemployment Insurance Act to provide for recognition of the principle that every employable person in the labour force is entitled either to a job or to adequate compensation by including the following provisions:
> (a) The act should be renamed the unemployment compensation act.
> (b) Every person in the labour force who is employed under a contract of service should contribute to the fund regardless of income or occupation.
> (c) Every insured person in the labour force—

Mr. Speaker: Order. Before the hon. member goes any further, while I do not like to circumscribe his contribution to the debate I feel that if he is allowed to present his resolution as relevant it will be relevant to debate the propositions which are contained in it, thereby enlarging the scope of this debate very substantially.

At the present time the grievance expressed in the amendment concerns the administration of the Unemployment Insurance Act and the results of that administration. This has been extended to a complaint about the failure of the government to consider the reimbursement of the fund. So that only in so far as the hon. member's proposals are relevant to the administration and the reimbursement of the fund would I consider it proper for him to continue.

Mr. Browne (Vancouver-Kingsway): Mr. Speaker, I think the fact that the government has announced its intention to bring forward amendments to the act indicates that in order to be able to administer the act properly it does require amendment. The situation which has arisen at the present time makes it impossible to administer it properly, and with the paying out within the terms of the act that is being done, nothing could happen to the fund but its depletion.

It then becomes a question of how the fund should be built up. The opposition have suggested, as I say, that the federal government should simply contribute a large amount of money to reimburse the fund. I am suggesting that if the act is changed in a proper way, that will not be necessary.

I think it is unsound for the federal government to just pay a huge sum of money into the fund. I think this act must be put on a proper, paying basis. If it is ever going to be administered properly by anybody, it has to be on a sound and paying basis. That is the reason I suggest these amendments to the act, because I believe many people now drawing out of the fund should not be drawing out of it, and many people who should be able to qualify to draw out of the fund are not now qualified to draw out of it, nor do they pay into it.

With your concurrence, Mr. Speaker, I should like to continue putting these suggested amendments before the house. I think you will find they are relevant to what has been suggested by the opposition. They would provide a much better means of administering the act and putting it on a sound basis than has been suggested by the opposition.

Mr. Speaker: I am asking the hon. member to use his own discretion about what parts of his own resolution are relevant rather than putting in all of his proposals.

I admit there may be some relevance in some of his proposals, but others would bring about a quite broad extension of this debate, which would be quite unwarranted.

Mr. Browne (Vancouver-Kingsway): Mr. Speaker, I have heard suggestions by the hon. member for Gloucester about fishermen. There have been a great many protests throughout the country about fishermen drawing from this fund when they are certain to be unemployed during the winter months.

Mr. Pickersgill: They are not certain to be unemployed.

Mr. Browne (Vancouver-Kingsway): That has been a complaint made about many of the seasonal industries, that there really is not a risk of insurance when they are certain to be unemployed. I have not supported that view. I have at all times felt that these benefits should apply to every person in this country who is ready, willing and able to work. They should be covered by the act. This, of course, has not been done up to the present time, for various reasons.

There are some groups, such as civil servants, which are not included under the act. I believe they should be. It is argued that these people are in permanent employment

but that has not turned out to be the case on all occasions. I notice that in a television program a couple of months ago it was stated that a number of employees of the city of Ottawa had been laid off. They were not liable for benefit because it had been presumed they were in permanent employment.

In the case of civil servants, both federal and provincial, there are many temporary employees. The provinces can use their discretion as to which of their employees shall be subject to the provisions of the act and, of course, they follow the policy of insuring those people who are temporary employees and who are almost certain to draw benefit at one time or another. I feel, therefore, that these classes of employees are not bearing their share of the cost of unemployment insurance. Either no civil servants should be covered or all of them should be covered. As I have said before, I believe this applies not only to civil servants but to all those employed under contract of service.

I firmly believe that those who are going to benefit from the act should be the ones who are required to contribute to it. That does not appear to be the policy of the opposition. If the federal government is going to contribute huge sums to the unemployment insurance fund, as they suggest, we would be taking the money out of general taxation. Among those contributing to its payment would then be persons in receipt of old age pensions and elderly people who could not possibly receive any benefit from the fund and who therefore, I submit, have no reason to be paying into it. A solution such as is suggested by the opposition would obviously require a higher level of taxation. I submit that we have to amend the act in such a way as to protect those who need protection and provide for them for as long as they need such assistance without regard to the number of contributions they have made to the fund.

There has been a good deal of talk in the country about returning to insurance principles in this act. However, as I pointed out on a previous occasion, everyone has a different idea as to what constitutes insurance principles. I pointed out that in the case of fire insurance, for example, if a person's house burns down he receives the entire amount that is necessary to rebuild the house or to build another. In the case of unemployment insurance, however, this principle does not apply because a person only receives benefit in direct relationship to what he has paid into the fund. I do not believe that the individual in this country is in any position to accept a risk of that sort himself. For these reasons I believe contributions must be spread over the entire labour force. I disagree with the views which have been expressed by the opposition. If we go beyond spreading the cost among the labour force, we begin to spread it among the entire population of the country. It seems to me that the people who are in a position to pay into the fund are the people who are gainfully employed.

Some suggestion has been made that proper protection has not been provided by the government for the people who are paying contributions. I suggest that this is no fault of the government but that it follows from the terms of the act itself. People are drawing money out of the fund who should not be drawing it out, but although there have been many fraudulent claims, as we would all agree, I do not think this represents the serious problem which some people make it out to be.

However, I do believe there are many married women drawing money out of the fund who have absolutely no need to do so. It is very difficult to establish whether or not married women are actually looking for jobs. This is one of the things which, in my view, is helping to drain the fund. Certainly, it is beyond the ability of government to control this practice by way of administration; an amendment of the act is required in order to deal with things of this nature.

Another cause of huge drains on the fund is the action of people who retire at the age of 65 and who then feel qualified to draw from the fund for 52 weeks. Though they only represent 3 per cent of the claims on the fund they are responsible for 10 per cent of the money paid out.

Then again, because of the unemployment situation, the government decided to extend, for a month at either end, the seasonal benefits. Some might wish to criticize the government for making this decision but personally I feel that it should have been made, that it was properly made, and that the contribution which the government makes to the fund even under the present financial arrangements is more than adequate to cover the administration of the fund and anything paid out in seasonal benefits. For this reason I feel criticism of the government on this ground is unjustified.

May I call it six o'clock?

Mr. Speaker: It being six o'clock I do now leave the Chair until eight o'clock, there being a supply motion today.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Browne (Vancouver-Kingsway): Mr. Speaker, when the house took recess at six o'clock I had been dealing in general terms with the amendment and subamendment moved by the two opposition parties condemning the government's administration of the Unemployment Insurance Act, and indicating I felt that this condemnation was entirely without foundation. I believe there are many reasons why it is without foundation, but I do not think we can find a better authority for this statement than the hon. member for Gloucester who moved the amendment, because, in the course of his own remarks, he indicated that in his view the reason that the unemployment insurance fund had been depleted was that there was a high number of claimants drawing benefits from the fund. With that statement I certainly agree. He did not blame the condition of the fund on the high unemployment particularly, as the subamendment does; he simply blamed it on the high number of claimants drawing from the fund. I think this is an accurate statement and a complete denial of the amendment which he subsequently moved.

I believe, as I had started to indicate before the dinner recess, that there are a number of reasons why there are a high number of claimants under the act. We have the case of married women. It was pointed out by Dr. Warren James that 85 per cent of the married women were at one time or another claimants under the fund, and that in most instances when they did go on unemployment insurance they exhausted the entire amount of their benefits and that it was very difficult indeed to establish whether those women were desirous of finding work or were in fact, ready, willing and able to work. In most instances it was also shown that they had husbands who were working full-time and for that reason there really was not any necessity for their drawing funds under the act.

As I pointed out, those who retired at age 65 and drew benefits for a year were responsible for 3 per cent of the claims under the act but drew 10 per cent of the total benefits paid out under the act. I indicated the action the government had taken to increase the amount of benefit under the act and also to extend the seasonal benefit period. This was done because of the unemployment situation. These are some of the things that have led to the depletion of the unemployment insurance fund. However, it is quite clear from a consideration of those facts that the administration of the act itself has absolutely nothing to do with its depletion. Therefore, as I have said, on his own words, the amendment moved by the hon. member for Gloucester falls to the ground. It is absolutely and completely without any substantiation.

The hon. member did complain about losses suffered by the investment committee, but he did not put that forward as a major cause of the unemployment insurance fund being depleted. He also neglected to point out that while some losses had been incurred in the investments there never at any time was an over-all loss to the fund from investment of the unemployment insurance funds. There never has been a year when there has not been a substantial profit made from the investments in securities made by the unemployment insurance investment committee, and I am sure no one would want to hold the investment committee responsible for an error in judgment in sustaining a loss on one particular transaction. No investment committee in this country is infallible and I do not suppose we are ever likely to have one that is. However, I believe, over all, the investment policy has proved to be a sound one and has worked to the benefit of the fund.

The solution proposed by the hon. member for Assiniboia is to condemn the government for failure to give consideration to the reimbursement of the fund from the public treasury. Well, I do not know how he is in a position to say to what the government has or has not given consideration. Perhaps he knows more about what the cabinet considers than the rest of us do, but I have not known the cabinet to make public those things which they are considering or are not considering unless they have made a specific decision on it and have said they have considered it and rejected it, and I know of no such statement being made by the government. Therefore, I fail to see how he is in a position to condemn the government for failure to give consideration to this measure.

The hon. member might want to condemn them for not doing it. If that is so, I quite agree with the government if it is their decision not to reimburse the fund from public moneys because I do not believe it should be done. If, as I have said, the depletion of the fund has been brought about by people drawing from it who should not be drawing from it, it is not in a sound position and the pumping of public money into it will do absolutely nothing to correct the situation. It would continue in the same way it has in the past. If we put $100 million into it, it would simply be drawn off by people who should not be drawing benefits from the fund. For this reason I believe there must be far more substantial amendments to the act.

The hon. member for Gloucester raised several points, one of which I started to deal

with earlier, namely the question of seasonal employees drawing benefits from the fund. He was of the view that they should continue to draw from the fund, and I have taken the same view. I believe all people should draw from it but I also take the view that they should all contribute. Of course, this is where the difficulty arises at the present time. I pointed out that in the instance of the civil service, only those who draw from the fund are registered under it. Those who are employed steadily do not pay into the fund. It is perfectly obvious that if this fund is to be sustained at all it has to be done on a proper basis with everybody who is gainfully employed contributing to the fund.

The other question that arises in regard to seasonal employees is that there is no limitation placed on the amount of earnings they can have in a year. Therefore, in actual fact, we may have a seasonal employee who pays into the fund for eight months and then draws benefits for four months although he may have earned in that eight months more than another man who has worked for the entire 12 months and has been forced to pay into the fund for 12 months. I believe this is a very unfair and unsound situation. For this reason I believe some limitation must be placed on the amount of earnings that a person can have in a year and still draw benefits from the fund. I do not suggest this in the form of a means test, because what I consider to be a means test would deal with assets. I do not believe we should take into consideration anything that a man has, such as a house, and so on.

I believe my suggestion would help a great deal those people who are now meeting a means test. It would help to overcome that problem if everybody was covered by the Unemployment Insurance Act and was paid benefits for so long as he was out of work regardless of the amount of contribution he had paid into the fund. Because we already look after these people in one way or another at the present time, I suggest that there would be no greater cost involved in that if a person's benefits expire today he then goes on unemployment assistance or some other form of relief under which he has to meet a means test. I do not believe that should be the case in this country. I believe every person is entitled either to a job or to adequate compensation if he is out of work through no fault of his own and provided he is ready, willing and able to accept a job.

In order to accomplish this end and keep the cost at a reasonable level, I believe there must be certain limitations placed upon the act. I believe that a person who has earned $4,000 or over in a particular year has no need to draw benefits from the fund in that year although if the same person were out of work in the following year there would be no limitation on the amount he could draw. He would be able to draw for the entire year if he were out of work but I do not think a person who has had an income in excess of $4,000 in a year needs to benefit under the Unemployment Insurance Act in that year.

Neither do I believe that married women whose husbands are working full-time and are adequately able to support them have any need to draw from the fund. Again, I noticed in the unemployment statistics a short while ago that almost half of the unemployed in the country were between 14 and 19 years of age. I believe adequate provision is made by the federal government for training these people if they are unable to find employment. If they have not got the proper skills to find employment, I believe the place for them is in school and I do not think they should be on the labour market or benefiting under the Unemployment Insurance Act. As long as they are living at home with parents who are adequately able to provide for them, having in mind that the government is making provision for them to take vocational training or whatever other kind of training may be necessary to fit them for a job, I believe that is what they should be doing instead of drawing on the unemployment insurance fund with no action being taken to ensure that they will ever be able to earn a living for themselves.

I also believe the act in general needs to be tightened up because I think there is a good deal of collusion between employers and employees with respect to people quitting their jobs when there is no need to do so and then drawing unemployment insurance. I believe there should be severe penalties imposed on any employee or employer acting separately or in collusion to defraud the fund. Again, I find that when I ask people why they felt they were entitled to do certain things under the Unemployment Insurance Act the answer I often get is that everybody else is doing it and it is all right in their opinion and they feel they would be foolish not to draw benefits, although in my view they are not entitled to draw them. They seem to come within the terms of the act. Those things which constitute fraud upon the fund should be clearly set out and there should be severe penalties imposed on those people who do attempt to defraud the fund.

I see that my time is drawing to a close. I do wish to emphasize that the negative attitude perpetually taken by members of the opposition in the house is not going to solve any of the problems of the country. It is no

use condemning perpetually. They always seem to be against something. I have not heard a helpful suggestion come from them during the whole time I have been here.

Mr. Martin (Essex East): That is ridiculous.

Mr. Pickersgill: That statement is false.

Mr. Browne (Vancouver-Kingsway): Now that the government has announced its intention to amend the Unemployment Insurance Act—

Mr. Pickersgill: When?

Mr. Browne (Vancouver-Kingsway): —I hope we will hear some helpful contributions from the opposition instead of the torrent of abuse to which we are constantly subjected. I hope they will try in some way to accept their responsibilities as members of the house and will make reasonable and helpful suggestions rather than merely condemning.

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): Mr. Speaker, I welcome the opportunity to speak on the matter now being discussed, and I should like to associate myself with the remarks of the hon. member for Gloucester (Mr. Robichaud), particularly his reference to unemployment insurance for fishermen. From time to time one hears the criticism that unemployment insurance for fishermen is the reason or a reason why the unemployment insurance fund is being depleted. Surprisingly enough, some of these criticisms are made by representatives of commercial interests who in Newfoundland and the Atlantic provinces as a whole have a captive market. However, I do not think these opinions are shared by any hon. member of the house.

I certainly do not agree with the speaker who preceded me, the hon. member for Vancouver-Kingsway (Mr. Browne), in his suggestion that hon. members on this side of the house are other than responsible and constructive in their criticism, but I noticed that he too subscribed to the idea of unemployment insurance for fishermen. The fact is that unemployment insurance for fishermen was a very constructive step that was taken in order to assist the fishermen, a class of workers who seriously need and deserve unemployment insurance. It has proved to be a real blessing to the fishermen themselves and I am quite sure that indirectly it has made a contribution to steadying the economy of the Atlantic provinces as well as having made a contribution to the economy of Canada as a whole.

In discussing the matter of the administration of the unemployment insurance fund, I should like to say at the outset that I make a distinction between abuses involving the drawing of unemployment insurance unfairly and unnecessary hardship caused to a class of workers who suffer under the administration of the act because, rightly or wrongly, there are many instances where workers such as carpenters, handymen, artisans and others who are employed by individuals find that at the end of their working period they do not qualify for unemployment insurance. In that connection I should like to read a letter from a constituent of mine which sets forth his own experience and in doing so tells the story very well as to what has happened to those men who depend upon casual labour for their livelihood and who find that such work is not insurable. The letter is from Roland J. Menchenton of Norris Arm North Side in the constituency of Grand Falls-White Bay-Labrador. The letter was written early in January and reads as follows:

> I am going to state what happened to us this past summer. Myself, Bennet White and William Freake, all of Norris Arm North, was employed at Grand Falls this past summer. Myself and Mr. William Freake built a house for Mr. Robert Malloy, No. 9 Station Road, Grand Falls. We received $1.75 per hour and received ten unemployment stamps for this job. We then went to work for Mr. John Malloy, same address, for three weeks. After job was completed we were informed by the unemployment insurance commission that there was a new law in effect which stated that no person outside of a bona fide contractor or employer could buy stamps. Result was we did not get any. We then went to work with Mr. George Peercey and worked with him six weeks with the same result. We also worked with Mr. Robert Piercey (both of Grand Falls) for three weeks and were told that it was not insurable work under the new law. Result was after working since middle of June until December 20 we were unable to qualify for regular insurance and did not have the required stamps for seasonal benefit.
>
> Now, sir, one half of the work done in the town of Grand Falls is done by men like ourselves, two or three men on a job. And now we are denied the privilege of buying stamps. Now what, may I ask, is going to happen to the hundreds of workers like ourselves who find employment in this way? Do we after working steady for 25 or 30 weeks have to spend the few dollars we have managed to save or as in the case of the majority fall back on able bodied relief. To my mind there could have been a law made to offset the illegal claims made on the unemployment insurance commission without taking away the rights and privileges of the honest workers who try to earn a livelihood without being a burden on the government in the form of able bodied relief.

I think the quotations from that letter depict one of the problems which faces workers who depend upon short term employment. It is causing a great deal of unrest and a great deal of hardship in the long run, and is one reason why we are making these criticisms at this time. The hon. member who preceded me charged us on this side of the house with criticizing only and making no constructive suggestions. I, of course, deny that allegation. However, I have yet to find a constructive

suggestion made by those on this side which has been listened to by hon. members on the other side.

The suggestion which I would make now is that an amendment be made to this act which would permit the act to be applied in the way in which it was originally intended to be applied, that is to give assistance where assistance is needed. This act should be insurance against unemployment for all people out of work who want to work, who do not try to avoid work. This was the real motive behind the passing of the act. Apart from being of help in a practical way to those who are out of work, this insurance principle has the additional advantage of cushioning periods of recession and unemployment such as the one through which we are going at the present time. Undoubtedly a tightening up of the act, a restriction in its application, is a denial of the very principles upon which the act was founded.

I do hope the suggestions we are making now that the act be applied fairly to those deserving of assistance, those who are out of work through no fault of their own and who should be insurable, will be given careful consideration by those who sit opposite.

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, once again we find the opposition introducing an amendment to a motion to go into supply under a guise that is purposely designed to permit them to make an attack on government policy with regard to employment in this country. There is little that can be said by way of commendation of this particular amendment. I believe hon. members of the opposition find themselves on the horns of a dilemma. In one breath they criticize and attack the government for its administration of the fund, and the resultant depletion of the fund, and in the next breath they attack the government for taking measures to restrict abuses being made of the fund. They cannot have it both ways, Mr. Speaker. They place themselves in a directly contradictory position.

For three years now, the members of the opposition have been talking in terms of depression and recession. Both in this house and throughout the country, they have decried the fact that we have unemployment. They have used unemployment as the basis for introducing amendment after amendment, and on occasion they have even attempted to adjourn the business of this house to discuss unemployment as a matter of urgent public importance. Time and time again, they have talked in terms of hundreds of thousands being unemployed. As a matter of fact, on one occasion, they even referred to one million. Now they come along and ask what has happened to the fund. One sometimes wonders, when observing them in action, what they are thinking. They make no suggestions about what we should do or what should be done. They have not suggested the things we have not done. On the one hand, they accuse us of doing nothing in the face of high unemployment, and on the other hand they say the fund should not have been used to alleviate the problems created by unemployment or the hardships that result from unemployment.

They suggest the fund should not be used for the purpose for which we presume it was intended. One wonders how they are going to get out of this dilemma. They refer to $900 million being in the fund in 1957. One wonders, Mr. Speaker, if the establishment of the unemployment insurance fund in this country was nothing more than a piece of Liberal party window dressing. In the first instance, they say unemployment is high. If they say unemployment is high, then they must admit that the fund which was intended to deal with unemployment was used in the way in which it was intended to be used. They do not accuse us of wasting the fund for if they did, they would then definitely be saying that the fund should not be used for any purpose whatever. The one argument destroys the other. If the opposition protests against what I am saying this evening, then they are saying that the passage of the act itself was nothing more than a pure farce, a simple device for window dressing and never intended for anything other than political propaganda.

The action we have taken in respect of the fund, Mr. Speaker, is similar to the action now being taken in the United States under parallel circumstances. At the time of the recession, we extended seasonal benefits. We made the formula more flexible. We brought married women under the act so that there would not be any discrimination and to assist in increasing family income. As the hon. member for Gloucester (Mr. Robichaud) pointed out, we brought fishermen under the act.

Mr. Pickersgill: I rise on a question of privilege, Mr. Speaker. The hon. member for Gloucester pointed out nothing of the kind. Everyone in this house ought to know that fishermen were brought under the Unemployment Insurance Act by the previous government.

Mr. Starr: That is not so. You were sitting over there when it was done.

Mr. Deputy Speaker: The hon. member knows that this is not a question of privilege but rather a question of disagreement.

Mr. Martin (Essex East): The minister speaks on a matter of which he should know something.

Mr. Thrasher: This may be a matter of debate, Mr. Speaker—

Mr. Pickersgill: It is not a matter of debate; it is a matter of fact.

Mr. Thrasher: Perhaps the hon. member will have an opportunity to speak when I have finished.

Mr. Pickersgill: I say that the statement of the hon. gentleman is false.

An hon. Member: Stand up.

Mr. Pickersgill: I will do so. Mr. Speaker, I say that the statement made by the hon. gentleman is false and that it should be withdrawn.

Mr. Thrasher: On a question of privilege, Mr. Speaker, may I say this. The hon. gentleman says I made a statement which was false. I deny that my statement was false and ask that he withdraw.

Mr. Speaker: Order. I must indicate to the parliamentary secretary that it may not have been the proper time for the hon. member to disagree, but there is nothing unparliamentary in saying that a statement is false unless there is an intimation that the hon. member is deliberately making a false statement, and that was not the case.

Mr. Thrasher: I think the record will speak for itself.

Mr. Pickersgill: It will have to do so.

Mr. Thrasher: I am quite prepared to accept your ruling, Mr. Speaker.

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

Mr. Thrasher: Yes.

Mr. Robichaud: Can he tell the house when legislation relating to unemployment insurance for fishermen was introduced in this house and passed?

Mr. Thrasher: Mr. Speaker, the answer to that question, of course, is a matter of record.

Mr. Robichaud: Answer it then.

Mr. Pickersgill: Does the parliamentary secretary not know?

Mr. Thrasher: It was put into effect by this government.

Mr. Robichaud: When did the fishermen start paying?

An hon. Member: Look it up.

Mr. Robichaud: You look it up.

Mr. Thrasher: I have done so. We have amended the act since we have come into power. We have increased the contributions as the hon. member for Bonavista-Twillingate now says. We extended the period of benefits, as is being done today in the United States. We have added two new classes. We have used the fund since coming into power for the purpose for which it was intended.

Hon. gentlemen sitting opposite have often stated in this house that unemployment insurance was designed as a cushion against unemployment. Would they now deny us the right to pay out these benefits when we have a period of high unemployment? What single measure taken by this government would they now have us retract? Would they now ask us not to extend the benefits to married women in order, as was done, to avoid discrimination that existed under the act when they were in power? Would hon. gentlemen now ask us to take fishermen out of the act?

Mr. Pickersgill: Who asked to have fishermen taken out of the act?

Mr. Thrasher: Would they now, Mr. Speaker, ask us to reduce the period of seasonal benefits?

Mr. Martin (Essex East): Who asked that?

Mr. Pickersgill: Yes, who asked that?

An hon. Member: The Liberals.

Mr. Starr: You have not asked for anything.

Mr. Pickersgill: You are contradicting your own assistant.

Mr. Thrasher: Hon. gentlemen opposite have criticized the government on many occasions but never did they criticize the depletion of the fund, nor do they make any recommendation which would have the effect of curtailing benefits. Yet they now rise in their places and in ominous tones ask what has happened to the fund. When you hear them speaking here today, Mr. Speaker, you wonder whether they are aware of the fact that a recession existed in this country, yet on other occasions they talked about nothing else.

In the speech from the throne at the opening of the present session of parliament it was suggested that amendments would be made to the act this session. Amendments will be made to the act at this session. An interdepartmental committee has been studying the act as well as various recommendations of the advisory committee for several months. Recommendations have been made for amendments and they are being studied, Mr. Speaker; but these are matters of government policy and when decisions are made

in respect to them, they will be brought before the house in the form of legislation.

The hon. member for Gloucester reaches the heights of absurdity when he talks about employment and says that this government has done nothing. Let me tell him this. At this session of parliament we lowered the down payment on a $10,000 home from $1,000 to $500. We have lowered the down payment on a $11,000 from $1,100 to $550. We have lowered the down payment on a $12,000 home from $1,200 to $600.

Mr. Pickersgill: Mr. Speaker, I am rising to a point of order. I do not wish in any way to restrain the hon. gentleman from reading his essay, but I trust that Your Honour is noticing that what he is saying has nothing whatever to do with the Unemployment Insurance Act. I merely draw the matter to Your Honour's attention so that we on this side of the house will be assured of the same freedom of debate as that in which the hon. gentleman is now indulging.

Mr. Deputy Speaker: If the hon. gentleman wishes to speak on the point of order I will hear him.

Mr. Thrasher: When the hon. member for Gloucester introduced his amendment he made an attack on the government's employment policy. He made an almost continuous attack on the policies of this government on employment and the action we have taken. As a matter of fact, he said we had done nothing. If we had done nothing, hon. gentlemen should not mind listening to me when I am indicating what we have done.

Mr. Pickersgill: I do not object.

Mr. Benidickson: The hon. member is the one who is introducing new matters.

Mr. Deputy Speaker: Of course, the debate is restricted to the subject matter of the amendment and the subamendment. The hon. member for Bonavista-Twillingate objects—

Mr. Pickersgill: I do not object.

Mr. Deputy Speaker: The hon. member must realize that he must restrict his remarks. He may make passing reference to arguments put forward by another hon. member, but I must ask him to make his remarks relevant to the amendment before the house. It will not be sufficient for him to have the permission of the hon. member for Bonavista-Twillingate to be irrelevant.

Mr. Pickersgill: I am not trying to restrict the parliamentary secretary, Mr. Speaker.

Mr. Benidickson: Oh, no: we will reply on the new matters.

[Mr. Thrasher.]

An hon. Member: You might restrict yourself.

Mr. Thrasher: In view of your ruling, Mr. Speaker, I will attempt to confine my remarks to the amendment and the subamendment. In answer to the hon. member for Gloucester, suffice it to say that we have at this session taken 23 separate measures to combat the problem of unemployment. We have taken measures in the fields of housing, municipal aid, aid to universities in the construction of residences, measures to double—

Mr. Deputy Speaker: Order. I am sorry but I must interrupt the hon. member. I am sure this enumeration has nothing to do with the amendment before the house which reads as follows:

> This house regrets the failure of the government to ensure sound administration of the Unemployment Insurance Act, resulting in the depletion of the financial resources of the fund and new arbitrary administrative procedures which deny benefits to casual employees.

Nor does it have anything to do with the subamendment which is in the following words:

> "and its failure to give consideration to the reimbursement of the fund from the public treasury for the excessive depletion it has suffered as a consequence of the recent abnormal unemployment".

I think the parliamentary secretary will realize that the enumeration of the measures to which he is now referring has nothing directly to do with this matter. Unless the parliamentary secretary puts forward an argument which is related to the subject matter of the amendment or the subamendment, it would be out of order.

Mr. Benidickson: But he is sticking to his essay.

Mr. Thrasher: Mr. Speaker, my only purpose in introducing the subject I did introduce was because the hon. member for Gloucester, in speaking in support of his amendment, devoted practically the whole of his speech to making an attack upon the government for its failure to cope properly with the employment situation in this country.

An hon. Member: He did write the speech himself.

Mr. Thrasher: In so doing the hon. member introduced an amendment which in a sense was restrictive. However, in my opinion, in a broader sense it could provide room for a great deal of latitude in the debate on this particular matter.

Mr. Deputy Speaker: May I point out to the parliamentary secretary who has the floor that it would assist the Chair if he would say whether he intends to reply to argument put

forward by the hon. member for Gloucester (Mr. Robichaud). If the parliamentary secretary would indicate that this is what he is doing, it would certainly help the Chair to determine whether the answer is in accordance with the argument put forward. If it is only a passing reference, I suggest it would be in order.

Mr. Thrasher: Mr. Speaker, I intended to restrict what I was going to say on this subject to nothing more than a passing reference, in view of the ruling you gave previously, in reply to the hon. member for Gloucester.

Had the members of the opposition, on the occasion when each of these measures was announced by the government, risen and said they were good measures; had the hon. members sitting opposite said on the occasion of the amendments to the National Housing Act, "These are good measures; they will stimulate the construction of housing in this country—

Mr. Pickersgill: Mr. Speaker, on a point of order, are we now reviving debates which have already been concluded in this house? This is being done by the parliamentary secretary, and members of the opposition are not allowed to do it.

Mr. Deputy Speaker: I think I made myself clear previously. I must warn the parliamentary secretary that to my mind he is not being relevant in discussing the subject matter of a debate which took place on the occasion of the introduction of amendments to the National Housing Act.

Mr. Thrasher: Mr. Speaker, I will try to abide by your ruling. I do not wish to do anything other than abide by the ruling of the Chair.

Suffice it to say that if hon. gentlemen opposite had acted in a contrary fashion when these measures were introduced to the house; had they encouraged their constituents and constituencies to take advantage of them, we could have said, "They are Canadians; they are interested in the economic problems of this country".

Mr. Benidickson: Which constituencies?

An hon. Member: You are out of order.

Mr. Thrasher: I wish to deal now with the second half of the amendment introduced by the hon. member for Gloucester. I have here a draft statement which was prepared by the unemployment insurance commission in connection with the changes that were made. Perhaps in the interests of clarity, and so there will be no misunderstanding, I should read the statement at this time:

Recently there had been complaints regarding the cancellation of stamps purchased by registered and non-registered employers alike and also regarding the withdrawal of the privilege to certain employers, who are not required to register with the unemployment insurance commission, to purchase unemployment insurance stamps.

These complaints stem from the fact that employers have been insuring persons who are not properly insurable. These persons fall into two main categories. First, those whose employment was not under a contract of service; and second, those who were employed on a casual basis for other than the employer's trade or business.

Referring to the first group, Mr. Speaker, section 25 (a) of the Unemployment Insurance Act provides that employment is insurable when it is:

—employment in Canada, by one or more employers, under any express or implied contract of service or apprenticeship, written or oral, whether the earnings of the employed person are received from the employer or some other person and whether the earnings are reckoned by time or by the piece, or partly by time and partly by the piece, or otherwise.

The statement continues:

The civil code of Quebec does not use the expression "contract of service" but the arrangement is much the same as what the civil code calls "lease and hire of personal services" as distinguished from "work done by estimate and contract".

The contract of service is an agreement, written or oral, under which the relationship between the employer and the employed person is substantially that of master and servant. The essentials in such a contract are that one person engaging the services of another must have the right to:

(a) tell him not only what result he, the employer, wants produced but also the time when, the place where, and the precise way in which the work is to be done;

(b) require that the worker do the work personally, unlike an independent contractor who can and often does delegate it to a substitute or employee of his own;

(c) to terminate the worker's services at any time. Likewise the employee may quit his employment without being compelled to specific performance of his contract.

The significant factor of a contract of service is the right of the hirer to control the hired. It will be seen at once that without such a control an employed person would be more or less his own boss and when it came to the payment of benefit the question of whether he was unemployed or not would be difficult, if not impossible, to determine.

The unemployment insurance commission found that many persons were being insured as employees when in fact they were independent contractors, partners, members of family undertakings, joint entrepreneurs, co-adventurers and such like.

With respect to casual employment the statement reads:

Referring to the second group, section 27 (p) of the Unemployment Insurance Act specifically excludes from insurability "employment of a casual nature otherwise than for the employer's trade or business".

In the early days of its existence the commission, by an administrative ruling, defined casual employment as employment of not more than ten days' duration within a 30-day period. This was later reduced to employment of not more than six days'

duration in a 30-day period. Thus employment of a duration of more than ten days—and later, more than six days—was determined insurable.

The commission through a regulation authorized employers of such casual help to purchase stamps on making application to the post office, thus waiving the necessity for the employer to first register with the commission.

On February 3, 1961, the umpire, who is the final authority in the interpretation of the Unemployment Insurance Act, ruled that any casual employment of a non-continuing nature, when performed for other than an employer's trade or business, was not insurable. This of course nullified the commission's administrative ruling and at the same time did away with the necessity for providing for the purchase of stamps on application at post offices by non-registered employers.

It should be pointed out, Mr. Speaker, that this ruling is the same as that which is applied to the workmen's compensation acts of the provinces of Ontario and British Columbia, as well as in Great Britain.

The statement continues:

Unfortunately, the facts concerning these two types of employment are not determinable in the vast majority of cases until audits are carried out or claims filed or investigations made. Once the facts come to light the commission has no option but to cancel the contributions erroneously made and adjust any benefits paid on the basis of these contributions.

However, in view of the fact that special instructions to offices of the commission regarding contract of service were issued on September 27, 1960, and the umpire's decision regarding casual employment was handed down only on February 3, 1961, no overpayment of benefit will be established in relation to contributions made in cases involving either of these factors prior to the two respective dates mentioned, provided, of course, the commission is satisfied there was no misrepresentation.

I might add, in addition to what the statement contained, that audits and investigations of casual purchases of stamps have revealed that fraud was rampant. Purchases were made where no work was done at all. Stamps were being purchased in excess of the actual employment period and exchanges of labour, whereby A employed B for a period, then B employed A in turn until both had sufficient contributions to qualify for benefit were not uncommon.

In reply to the hon. member for Assiniboia (Mr. Argue) who made some glib references to a full employment policy when speaking in this debate earlier, it is true, of course, that he made full use of his time to attack the government on its employment policies. I do not propose to deal at any length with what he said but I should like to refer to the full employment policy of the socialist group who sit, Mr. Speaker, on your immediate left. Full employment must mean something or it means nothing at all. In the sense in which the group who sit over in that corner mean it, it means nothing less than regimentation. You can guarantee employment in this country through the use of socialist methods; you can do it if you want to fix wages; you can do it if you want to fix prices.

Mr. Martin (Timmins): Would the hon. member not agree that the welfare which the unemployed have to seek now is a form of regimentation which we could well do without?

Mr. Thrasher: I am not sure I understand who the hon. member is referring to—

Mr. Pickersgill: He is talking about the people you have driven on relief.

Mr. Thrasher: It is not my hope, and I think it is not the hope of the Canadian people that we in this country shall ever live under a totalitarian system such as hon. members in that party rave so much about. In order to make their system work we are bound to have total regimentation. We are bound to have to tell people where they are to work, how long they are to work and how much they are to receive for their labour. We will be bound to tell industry what products to produce and what prices they are to receive for those products; we will be bound to tell the farmers of this country what to produce on their farms and to tell them what they will receive for the fruits of their labour. I call this totalitarianism.

Mr. Martin (Timmins): This is all your idea, so call it what you like.

Mr. Thrasher: Despite what the hon. member had to say, I do not want to live, nor do the people of Canada, under a system such as he and his friends expound.

(Translation):

Mr. Jean-Paul Racine (Beauce): Mr. Speaker, we have just heard the parliamentary secretary to the Minister of Labour (Mr. Thrasher). His remarks are similar to those we have been hearing for a long time, from the other side. He accuses us of harping on depression and recession for the last three years. I confess it is something to which we can reasonably refer to from time to time. If the parliamentary secretary does not realize that things are not going too well in this country, I would advise him to pay a visit to his constituency once in a while.

He also indicated that we, on this side of the house, have made no suggestions to find jobs for the unemployed, which, naturally, would have helped bolster, if not to replenish, the unemployment insurance fund.

Well, I remember that, one day, in this house, the hon. member for Essex East (Mr. Martin), did make several suggestions; so did

the hon. member for Laurier (Mr. Chevrier). I wonder whether the parliamentary secretary was here at the time. It would be a good thing for him, perhaps, to refer to the debates concerned.

He accused us, among other things, of saying that, these last few years the unemployment insurance fund should not have been used for the purposes for which it was set up. We, on this side of the house, have never made any such claim. Naturally, we believe that the unemployed should get benefits, but the hon. member for Gloucester (Mr. Robichaud) rather adequately emphasized that, if the unemployed had had jobs, the unemployment insurance fund could have remained at a reasonable level.

Furthermore, the parliamentary secretary said that we came out against the extension of seasonal benefits. I do not recall hearing the hon. member for Gloucester making such a statement. To put it briefly, the parliamentary secretary sought to attribute to his government some merits that we, on this side of the house, do not recognize. I would advise him rather to refer to the booklet entitled *Employers Handbook for Fishermen*, 1957, second edition, in which he will read the following, in paragraph 2 of page 1:

(Text):

Effective April 1, 1957, employment in fishing became insurable under the Unemployment Insurance Act.

(Translation):

If the fishermen began to contribute to the unemployment insurance fund as of April 1st, 1957, and if we consider, on the other hand, that the election took place on June 10—

Mr. Martin (Essex East): Could the hon. member repeat his reference, because the parliamentary secretary still does not understand?

Mr. Racine: Certainly, I shall repeat it for the benefit of the parliamentary secretary. With regard to fishermen, I should like to refer to the publication entitled "The Employer's Handbook for Fishermen", second edition, published in 1957. The second paragraph reads as follows:

(Text):

Effective April 1, 1957, employment in fishing became insurable under the Unemployment Insurance Act.

(Translation):

Now, if the fishermen started paying contributions on the first of April, while the elections took place on June 10 and the Tory government actually took over on the 22nd, I fail to understand how this government can claim any credit for the fishermen's unemployment insurance.

Mr. Deschatelets: I think it should be said all over again, because the parliamentary secretary is still in the dark.

Mr. Racine: Mr. Speaker, I should like, first of all, to congratulate the hon. member for Gloucester for the constructive and brilliant way with which he dealt with unemployment insurance problems. I am sure that he has made it clear to a good many citizens that persons who are concerned over the situation of the unemployment insurance fund can still be found in this house.

He also made it clear to others who are deprived of unemployment benefits as a result of amendments to the act that there are still people here in this house who want to cooperate so that the government may review those amendments that we consider intolerable.

In fact, the hon. member for Gloucester introduced the following amendment:

This house regrets the failure of the government to ensure sound administration of the Unemployment Insurance Act, resulting in the depletion of the financial resources of the fund and new arbitrary administrative procedures which deny benefits to casual employees.

I believe that the hon. member for Gloucester has adequately dealt with the position of the fund.

As for me, I would especially like to deal with the arbitrary procedures which deny benefits to casual employees.

Therefore, I should like to refer to *Hansard* for February 9, 1961, on page 1050. On that occasion I put the following question to the Minister of Labour (Mr. Starr):

I should like to put a question to the Minister of Labour. In view of the many complaints voiced by unemployed who are no longer drawing unemployment insurance benefits because of the new interpretation given to the service contract, does the minister intend to issue further instructions in order to remedy a situation that has become impossible?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the hon. member gave me notice that he would ask this question. I immediately contacted the unemployment insurance commission, and they advise me that there is no new interpretation of the regulations with regard to the contract of service. The difference now is, so they tell me, that the regulations are being enforced.

A little later, as it can be seen on the same page, I asked the following supplementary question:

Unemployment Insurance

Mr. Speaker, in view of the answer just given by the Minister of Labour I would like to ask him whether he is aware that the enforcement of the instructions now contained in pamphlet 13, where the commission defines "service contract", is detrimental to the campaign for winter works, particularly in the renovation and home construction field.

Mr. Starr: I am not aware that it is having the effect which the hon. member says it is.

Mr. Speaker, those questions and answers were given on February 9, 1961 but if you refer to the *L'Action Catholique* of January 13, 1961, you will find the following item:

Details given by the unemployment insurance commission.

In order to spare the people of Canada some of the difficulties which now prevail throughout the country, the unemployment insurance commission wishes to caution people regarding the eligibility to insurance benefits of casual and family employment.

In view of recent decisions, the unemployment insurance commission arbitrator, Mr. Justice J. D. Kearney, has issued new interpretations concerning the eligibility of workers holding family and casual jobs.

Family employment: In most family concerns, where some or all the employees are related to the owner, there is no real master-servant relationship. This form of enterprise rather suggests that the family relationship supersedes or annuls the service contract. In many other cases, the several members of the family are working toward a common objective, and the profit is shared according to certain needs or as the owner sees fit.

Mr. Chairman, I come to the part dealing specifically with circular No. 13:

Casual employment: Again in that classification, the majority of employees are not insurable since a service contract does not exist within meaning of the unemployment insurance act.

I am now talking about casual employment.

For a service contract to exist, the casual employer must be in a position to control and supervise the technical performance of the work to be carried out by the employed. Since most of casual employees work alone, the fact that the salary is paid hourly, per unit of work, or according to contract is of no importance, those employees are considered as working for themselves and their employment is not insurable.

Before entering contributions in unemployment insurance stamp books of people holding casual or family employment, employers should inquire at their local office, to prevent possible cancellation of those stamps later on.

Well, the ruling of the U.I.C. arbitrator, Mr. Justice J. D. Kearney, is rather at variance with the answer given by the minister to the question I put to him on February 9, since Mr. Justice Kearney himself agrees that since September 27, the date shown on bulletin No 13, the unemployment insurance commission has issued new interpretations concerning the eligibility of casual employees. Therefore, if the letter of the act was not changed, its interpretation at least was changed, and that is the important thing in the administration of the Unemployment Insurance Act.

Mr. Speaker, this circular letter No. 13, which was issued September 27, 1960, applies retroactively to the year 1960. The pamphlet deals with the service contract and, among other things, includes the following definition:

Employment in Canada, by one or more employers, under a service or apprenticeship contract, whether explicit or implicit, written or oral, whether the earnings of the employee are received from the employer or someone else, and whether calculated by the hour or by the piece, or partly by the hour and partly by the piece, or otherwise.

But, more interesting still is the type of questions asked by certain officers of unemployment insurance offices in order to determine whether there is a service contract or not between the employer and the employee. Here, for instance, is the series of questions that are asked:

Starting date?
Termination date?
Where was the above-mentioned person employed by you?
Was he paid certain wages or hired on contract?
If wages, state if hourly, daily or weekly?
What salary were you paying him?
Who fixed his salary?
What is your main occupation?
What did he do for you?
What was your reason for hiring him?
In what capacity was he employed?
What experience did you have in the type of work he performed for you?
Were you present on site at the time the work was done?
Were you working yourself?
Who kept his time record?
Have you kept track of his time?
What were the agreed working hours?

Mr. Speaker, all those questions may deprive a worker from qualifying for the contributions provided under the Unemployment Insurance Act. For instance, I have already mentioned in the house that when an individual is hired to build a house, it is ridiculous for unemployment insurance officers to ask him the purpose of his employment. It is obvious that he was employed to build the house.

Another question is: "What knowledge did you have of the type of work he performed for you?" Again I ask, must one be a carpenter to hire carpenters to build a house and to affix the appropriate unemployment insurance stamps in their books?

This is also true of the following question:

Did you remain on the premises while the work was being performed?

That is another question that can lead to confusion and deprive some workers of contributions to which they are entitled. It is

well known that if a person who hires a carpenter is not qualified to supervise his work and knows nothing about carpentry, he will seldom remain on the premises to tell a qualified worker what he should do.

In a number of constituencies, hundreds of unemployed people are deprived of benefits they should receive, merely because officers of the commission have been instructed to give a new interpretation to the term "work contract". Personally, I know of many families which are suffering real hardship and have to depend on relief.

Following that new interpretation, the unemployment insurance commission people are always bringing up the same argument, namely that the employer must have enough authority for giving orders and enough competence for directing the work of one or several employees. That is a false interpretation which is subject to contradiction every day. As a matter of fact, few employers know more than their employees. A contractor is not necessarily a carpenter, bricklayer, electrician, stonemason, etc., but he employs qualified people in those various trades. Yet, those employees are eventually entitled to benefits, because they have been working for a contractor. An industrialist often knows little or nothing about the complex structure of his business. Yet, all his employees are entitled to unemployment insurance.

Many a citizen retains the services of tradesmen for certain casual repairs or extensions to their properties. Working conditions are agreed upon verbally. But, since circular No. 13 has been in force, no such employee or worker qualifies for unemployment insurance benefits.

In my riding, as in many others, all trades people and labourers who work for employers other than registered contractors are struck from the list of those qualified to receive benefits under the Unemployment Insurance Act. Finally, it seems that, in order to replenish the unemployment insurance fund, officials are creating misery and desolation among our working population. That is the greatest shame at this time, and we will certainly not give up fighting for our workers.

If clause 25 of the Unemployment Insurance Act under its present form can be so fantastically interpreted, it should be better defined, so as not to deprive an honest worker of unemployment insurance benefits, to which he was formerly entitled.

To my mind, this is not a question of politics, but a matter of justice, and the workers are now aware of the extent to which they are being slighted.

If it had only been a matter of amending the Unemployment Insurance Act it would not have been so bad. But, on the contrary, the amendment was made retroactive, so that employers, who had honestly and legally affixed unemployment insurance stamps in their workers' books, and the workers themselves, who had legally and honestly paid their contributions, are being deprived of benefits, because of the attitude of the unemployment insurance commission.

Yet, those employers and employees have made those contributions and that is not all. Those employees applied to the unemployment insurance office after September 26, 1960, with the impression that they were entitled to draw benefits, as they were indeed under the act. Today, they find themselves in an impossible situation as a result of the retroactivity decreed in circular No. 13.

As I was saying that amendment may have been introduced in order to protect the unemployment insurance fund, and we have every reason to believe that this was the original purpose. But it seems to me the government or the unemployment insurance commission should have considered the consequences that this new rule might have, not only on the unemployment insurance fund itself but also on the administration of the act in relation to both employees and employers.

In addition to what I have just mentioned, that circular eliminates almost all cases of insurability for casual and seasonal jobs. In the past, unemployment insurance officials used to make rulings on the insurability of jobs, while today they have to enquire whether or not there is a service contract. Employers are dissatisfied with such a procedure, in so far as the supervision of certain jobs is concerned, such as the building of private homes, logging operations, etc.

Of course, the workers too are dissatisfied, particularly the many labourers in rural areas who were formerly employed in housing construction and were paid hourly wages. They are being deprived of their rights and are being discriminated against if you compare their situation to that of employees working for contractors. In fact, those who cannot find a job with a contractor will have no

protection whatsoever in view of the interpretation given to section 25 of the Unemployment Insurance Act. Such an interpretation is a serious impediment to the carrying out of certain repair jobs during the summer season, because in the case of repairs to private homes, the employment of workers and carpenters is not covered by the Unemployment Insurance Act.

I listened closely to the speech made this afternoon by the hon. member for Gloucester. He mentioned, among other things, that the poor condition of the unemployment insurance fund was due in part to poor management and to speculation on certain bonds. It is unfortunate that the money in the fund, most of which, that is to say 80 per cent, had been contributed by the employers and employees, was endangered through poor investments. The hon. member for Gloucester also emphasized the need to replenish the unemployment insurance fund. He particularly urged the government to provide work for the unemployed. I think that is the best way of avoiding the payment of benefits, and those who find a job will only feel the better for it.

I was reading this afternoon on page 1403 of *Hansard* for January 25, 1961, a statement made by the Minister of Agriculture (Mr. Hamilton) in which be quoted the Prime Minister as saying—this was on August 30, 1958—that legislation would be introduced to extend the period of entitlement to unemployment insurance benefits and make such benefits available to certain classes of farm workers.

Mr. Speaker, that is another vision that will have to be set aside, because as long as certain workers and labourers are denied unemployment insurance benefits, it is silly to believe that the Prime Minister would now consider extending them to certain classes of farm workers.

The hon. parliamentary secretary told us a few moments ago that certain provisions had been adopted with regard to unemployment insurance which, in his opinion, were designed to favour the workers. He mentioned, among others, the extension of the unemployment insurance benefits period. Of course, Mr. Speaker, we on this side of the house, cannot blame the government for extending the period of unemployment insurance benefits, especially at a time when there are so many unemployed in this country. But it was not a measure designed to provide work to Canadian workers; it was rather designed to put a poultice on a peg leg, since all it does is to provide, certain workers for a certain period with the opportunity to receive unemployment insurance benefits. Unfortunately no later than May 15 those who are now favoured by extension of the benefits period will find themselves in the same position as those who cannot get them any more because of the service contract amendment.

It is true that certain amendments have been made to the Unemployment Insurance Act. Among others according to the pamphlet published by the unemployment insurance commission and bearing No. UIC 651 E (10-59) we see, for instance, that in 1959, amendments to the act were made concerning woodsmen. Well, these new regulations, I believe, have been quite prejudicial to woodsmen. For instance, the amendment to the regulations causes a more widespread use of power saws, which results in a larger weekly production than before. Among other things, the unemployment insurance commission mentioned in this pamphlet that starting in 1959, woodsmen would have to cut 12 cords of wood instead of eight to be entitled to unemployment insurance weekly benefits. That is an 80 per cent increase. Indeed, this is not, at least in my opinion, an improvement in the Unemployment Insurance Act.

Another amendment to the Unemployment Insurance Act was the one brought about by Bill No. C-43 which increased employee and employer contributions. Again, that certainly was no way to help workers, since 75 per cent of the 100 odd million dollars we wanted to add to the unemployment insurance fund through contributions from employees and employers remain in the unemployment insurance fund. Therefore the instructions in form 13, as well as the new rules with regard to woodsmen and the rate increase, are certainly not changes in the unemployment insurance act that will be of help to our workers.

About those various laws, I cannot help referring to someone who is no longer in the house; I mean the former member for Restigouche-Madawaska, who stated here, last February, that his government had done nothing against unemployment, and had been content to introduce legislation which only contributed to deplete the unemployment insurance fund. As we may see in *Le Devoir* of February 20, 1960, the former member for Restigouche-Madawaska stated as follows:

I maintain, in all humility, that if we had only done half of what we had promised, there would be no unemployment now in the maritimes he said.

Mr. Speaker, I do not know what the unemployment picture is right now in the county of Restigouche-Madawaska. But I wonder if the former member is making the same type of speeches there now as he used to when he was sitting in this house. I would be very happy to follow it up in the press.

Mr. Tremblay: Tell us something about Mr. Lesage.

Mr. Racine: Mr. Speaker, the hon. member for Roberval, who often butts in, is hoping to draw me into discussing a subject which lies entirely outside the scope of this debate. I am certain that standing orders would not allow me to praise the Liberal administration of Quebec in this house. Moreover, I know that you would direct me to go on dealing with the matter now at hand. Therefore, I shall leave the hon. member for Roberval to his own particular dreams.

Mr. Tremblay: What you are now reading is a speech written by Mr. Lamontagne.

Mr. Racine: Mr. Speaker, the hon. member for Roberval has just paid me an undeserved compliment. I do not think—

Mr. Tremblay: Read; go ahead, read on.

Mr. Racine: I think the speech I am now giving is not one of which an economist would be glad of. I thank the hon. member; it is perhaps the kindest word he has had on my behalf.

Mr. Speaker, in the various amendments to the Unemployment Insurance Act with regard to instructions in form 13, in respect of the new rules for woodsmen and the increase of the unemployment insurance rate, I think we are right when we say that the old Tory spirit is bobbing up again. If we refer to the 1946 debate, at a time when the Unemployment Insurance Act was introduced, we may rightly think, when reading the relevant pages of *Hansard,* that Conservatives never showed themselves entirely well disposed with regard to the unemployment insurance legislation. That is what leads me to think that today, with all those limitations placed on the Unemployment Insurance Act, that hoary Tory philosophy is bobbing up again. For their own good, but most of all for the good of the unemployed—because I sincerely and honestly believe it is to them that our thoughts should go—the Conservatives should reconsider their policy concerning the Unemployment Insurance Act.

(Text):

Mr. M. W. Martin (Timmins): Mr. Speaker, tonight we have seen something which I could classify as nothing less than a disgusting exhibition. The parliamentary secretary, in his desperation to find some scapegoat to blame for the position in which the government finds itself at the moment, proceeded to build up a straw man, in fact a strawbogeyman, a pure figment of his own imagination, and then knock it down.

Mr. Pickersgill: No, he had it written out.

Mr. Martin (Timmins): It was still a product of his imagination or the imagination of someone else. I find it difficult to understand that particular type of exhibition. I feel sure the hon. member does not even believe this attack he made on me and the rest of my party in this corner. If he does believe it, I am afraid that I have given the hon. gentleman far too much credit for intelligence. I feel that, in his search for a whipping boy, he has done a disservice to this house and to the country because he has done exactly what the communists are trying to do throughout the world today. They are trying to make us believe there is only one choice, either the chaos that we are debating here tonight or the regimentation that one finds under communist regimes. We can only choose between the two.

I should like to say, Mr. Speaker, that we in the C.C.F. and new party repudiate this idea. We maintain that this problem can be cured while we maintain our political freedom. In order to cure these difficulties we must show more interest in coping with these problems than has been demonstrated by either the present Tory government or the Liberal governments of the past.

What is the situation with which we are faced here tonight? The parliamentary secretary says that the opposition finds itself in a dilemma. I should like to remind him that it is not the opposition that is going to have to answer to the Canadian people for the situation in which we find ourselves now. It is the government that is going to have to answer, and only the government.

What are the facts? They have been placed on the record today, and I think probably we could sum them up. When this government took office there was in the neighbourhood of $950 million in the unemployment insurance fund. Halfway through the government's term of office we find that contributions to the fund have been increased

by 30 per cent but still the size of the fund has shrunk to $185 million as of the latest count. The government can accuse the opposition of gloom and doom or this and that, but these are the cold, hard facts. We cannot get around them. During this government's term of office, in spite of this 30 per cent increase in the contributions into the fund, we find that the fund has shrunk from $950 million to $185 million.

Mr. Spencer: What about the increased benefits?

Mr. Martin (Timmins): I do not care what the increase is in benefits. These are the facts, and you cannot get around them.

In my opinion, these facts point out one thing which should be clear to each and every member. Surely, this is something hon. members must have realized some place along the way in their daily lives. So long as you pay more out of a fund than you pay into that fund you are eventually going to go broke. This is the very simple situation with which we are faced today. The parliamentary secretary listed three of the measures which the government had introduced, and then he was cut off. He said, however, that there were some 23 measures which this government had adopted during this session to aid employment and provide jobs. This statement still does not meet the point because if there were 23 measures or 63 or 6,300, the fact still remains that the unemployment insurance fund is almost bankrupt.

How did we get into this situation? The parliamentary secretary listed some of the reasons. The unemployment insurance fund was extended to take in new fields. Of course, he very carefully avoided mentioning the fact that no precaution was taken at that time to provide for these new fields. The extension of the benefits has gone over a longer period; they have been extended to 52 weeks. Again no provision was made at the time to put the fund on any kind of actuarial basis. Oh, no; the government could not wait for that. It was too good a vote catcher. They had to use it. At the time that amendment went through I can recall speaking in this house and warning the government then that if this was done and the proper precautions were not taken, in a very short period of time this fund would be completely depleted. I can still recall the question asked by some hon. member on the government side who said, "Are you against extending unemployment insurance?"

Many other factors are involved. Not the least of these is the situation that has been brought about by the Liberals and then continued by the Tories which has permeated our whole society on this matter of the unemployment insurance fund. There is no insurance principle about it at all. It is just a great big pork barrel. People see others drawing from it whom they feel are not qualified to do so and they say, "If they can get it, why can't I?". That is the situation that has developed across this country. But in spite of all these factors, including many smaller ones, we still cannot get around the basic problem.

This is a basic problem which the present government very stubbornly refused to recognize for a long time. Now they are very grudgingly starting to admit it. Nevertheless they are still stubbornly trying to refuse to act, and do anything about it. I refer to the fact that in the last three or four years we have had what used to be known in the old days as a depression. Of course, that is a bad word. We do not use it any more. Today it is a recession, a slow down. I do not know how many fancy names I have heard for it. Of course, the facts of the matter are that we have forgotten what the unemployment insurance fund was originally intended for. Back in the old days when the unemployment insurance fund was set up, it was for the purpose of tiding people over when they were temporarily laid off from a job which they had to go back to in the fall or in the spring. That was the purpose of the unemployment insurance fund when it started off. It was to tide people over when they were temporarily unemployed either through climatic conditions or the temporary shut-down of a plant or something of the kind.

But what do we do today with that fund that was designed for this purpose and was set up on this basis? As long as we stuck to this basis it was a very successful project. But no, the government did not do that. Now they are trying to cure this depression with this unemployment insurance fund. They take in people who were never even considered when this fund was set up on an actuarial basis. They extend it over a period of time which was never even considered when this fund was set up on a sensible basis.

I maintain, Mr. Speaker, that this unemployment insurance fund was never conceived of with the idea of curing a depression. It never can cure a depression and the reason we find ourselves in the present situation is that we have tried to use it for that purpose.

In trying to face this problem with which we are confronted and to do something about it I hope that the steps that this government and this house will take—and believe me the government will be obliged to take some steps and do so very shortly—will be sensible and reasonable steps and that they will not be caused by this hysteria that seems to be

sweeping across this country, that all of a sudden out of the woodwork or from some place where they have been hidden for the last 20 years all these bums are coming back again. It is strange that we did not hear about them in the 40's and 50's. Where were they then? We used to have a good many of them around in the 30's. I refer to bums, people who do not want to work. For 20 years we did not hear anything about them but today they are back with us again.

I do not care where you go, you find this thing building up. I feel that this idea has been very carefully planted. I feel it is another of the attempts of this government to find a whipping boy, as was done by the parliamentary secretary; to find somebody else to blame; to try to shrug off the responsibility that is theirs and theirs alone. They are the ones who are going to be obliged to do something about it. All we hear is about chiselers, people who do not want to work. We hear about married women who work only long enough to get their stamps and so on. We hear this every day on every side.

I want to say that I am quite concerned about this deliberate propaganda campaign. Certainly there are chiselers. There are chiselers in every walk of life. But thank goodness, the percentage is small. There always will be chiselers; I suppose there always were chiselers. But with this problem as it is today, to try to pass it off with a shrug of your shoulders and say that it is only bums and chiselers that are out of work is no solution to it, and this will just get us deeper and deeper into the mess in which we find ourselves at the present time. We hear about people who turn down jobs at $45 a week. It is said that those guys simply do not want to work or they would not turn down a job at $45 a week. Why do they turn these jobs down? Did we ever stop to think of the reasons why they might have done so? The previous answer may be true in some cases, but did we ever stop to realize that maybe these people are the victims of the society in which we live, that they are the victims of the hard-sell policy under which it is unpatriotic if you do not buy what you do not need with money you do not possess in order to impress people you do not like.

Do we stop to realize that almost every normal family in this country has payments to meet which amount to more than $45 a week? They are built-in payments. Back in the 30's if you had no job, at least you could go out to the edge of town, cut yourself a cord of wood and cook yourself a meal. However, you cannot do that today. If you do not pay your gas bill, your gas is cut off. If you do not pay your water bill, your water is cut off. If you do not pay your light bill, your electricity is cut off. If you do not meet the payments on your stove or your refrigerator or on all the rest of your furniture, they come in, pick it up and take it out. If you are working for $45 a week, and that sum does not meet your payments, you are in trouble. But if you are unemployed and are on unemployment insurance when they come in, you can say, "I am sorry I cannot pay because I am unemployed"; and at least you can put off the inevitable. Maybe that is the reason why some in this country today are refusing jobs paying $45 a week or less.

I think these things should be taken into consideration. We must realize that our society has changed a great deal in the last 20 or 25 years and that we certainly cannot judge people's conduct today by the yardstick of 25 years ago. In order to get a proper look at the situation today and to try to come up with some sensible and reasonable answers to this problem we must look at these things in the light of today's conditions and then act accordingly.

(Translation):

Mr. Vincent Brassard (Chicoutimi): Mr. Speaker, I had no intention of taking part in this debate. I know too well what physical and moral distress can befall the family of an unemployed. I must not evade my duty of making, whenever possible, at least a verbal contribution to the solution of a social problem of vital importance. In fact, I consider that the right to work is a fundamental human right; it is after all a right almost as fundamental as the right to breathe and to speak.

However, the philosophy of the opposition is reflected in the wording of the proposed amendment. It is obvious that this amendment and the subamendment have been introduced for political purposes, and for the purpose of spreading false ideas in the minds of the people.

If we study the wording of the amendment, for instance, we note that no mention is made of the plight of the unemployed and his family. On the contrary, the whole amendment deals with a strictly administrative problem, and merely regrets certain reported losses in the administration of the unemployment insurance fund. The mover of the amendment, in his long speech, talked merely about the important losses suffered by the unemployment insurance fund in some security operations. I was also astounded to hear particularly the hon. member for Beauce (Mr. Racine) trying to expose certain of the technical difficulties encountered in the administration of the act and, if I remember

right, doing nothing else but complaining about circular no. 13, concerning the interpretation of the term "service contract".

Mr. Speaker, I will not be long. All in all, I find that the subject matter of the amendment and of the amendment to the amendment has nothing to do with the problem. I am surprised that, especially after trying to move the adjournment of the house to discuss the important problem of unemployment, when the first opportunity arises to do so, on a supply motion, problems far removed from the point are being dealt with. I believe that when we tackle the problem of unemployment as such we must ask ourselves what are the causes of the present employment crisis. We should begin by asking ourselves if unemployment was brought about by the Liberals or by the Conservatives. We should not forget the contradictory statements of Mr. Lesage, the new Quebec premier, who, before the election of June 22, was travelling all over the province and publishing ads in the newspapers to state that unemployment was strictly the responsibility of the provincial government.

The unemployment which is now with us, Mr. Speaker, is the result of many factors. I do not claim to be an economist and to be able to explain all the details. But it can be said, at least to simplify the question, that unemployment at present coincides with automation and the growth in population.

(Text):

Mr. Pickersgill: I am rising on a point of order, Mr. Speaker. As I said earlier this evening on a similar point of order, no one on this side of the house is in the least anxious to restrict the debate. However, I would draw your attention to the fact that the hon. gentleman is engaging in a debate on unemployment, not on the motion before the house. We would hope to have the right to reply if the debate is to take that turn.

Mr. Speaker: Does the hon. member wish to say anything on the point of order?

(Translation):

Mr. Brassard (Chicoutimi): Mr. Speaker, on the point of order, I noticed that the hon. member for Vancouver-Kingsway (Mr. Browne) was allowed this afternoon to explain a resolution which he wanted to put before the house. Unfortunately, he could not proceed with it. In order to explain my suggestions concerning unemployment, I shall now deal with a different angle. Now, Mr. Speaker, if you do not allow me to proceed—

[Mr. Brassard (Chicoutimi).]

(Text):

Mr. Speaker: I think I should say that the hon. member for Vancouver-Kingsway (Mr. Browne) was presenting his views with respect to the Unemployment Insurance Act, the administration of which is the specific subject of this motion and the amendment. I think the point of order raised by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) is well taken.

As I heard the hon. member—and I was here just a minute before the point was raised—he seemed to be dealing with unemployment in general terms rather than with the question of the administration of the Unemployment Insurance Act and the amendment which relates to reimbursement of the fund.

I should not like to see the debate become a general one on unemployment, because that debate has already taken place in this house. With those remarks perhaps the hon. member could confine himself more particularly to the amendment.

(Translation):

Mr. Brassard (Chicoutimi): Thank you very much, Mr. Speaker, I am going to try to keep strictly to the problem under discussion. I only wanted to make those few remarks in order to support any argument that I might bring forward on this subject later on.

However, with regard to the unemployment insurance commission administration, the best way of settling both the unemployment and the unemployment insurance problems would be to substitute employment insurance to unemployment insurance.

Let me explain. Employment insurance would mean that any worker in any field would have to pay a contribution, which, added to federal, provincial and municipal contributions, would help create a fund which would enable us to offer work to a good majority of those who become unemployed. I believe this is the most practical suggestion that we can make to the Minister of Labour in this occasion.

However, before I resume my seat, I want to congratulate him for the extremely progressive though long term measures he has taken up to now. I believe these measures will have a beneficial effect on our nation's economy.

(Text):

Mr. W. H. McMillan (Welland): Mr. Speaker, the unemployment insurance fund was started as an insurance for workers, to compensate them for periods of unemployment. It seems to me that in the administration of the act the government is departing a great deal from this insurance principle.

They have made it partly a relief fund. Money is taken from this fund to help people over difficult periods, when these people should be helped in other ways by the government. This has been bad administration of the fund, but it has been helpful to the Minister of Finance (Mr. Fleming). It has prevented his yearly deficits from being as high as they otherwise would be. The working people of Canada are, therefore, making contributions toward keeping people off relief rolls. In this way they have allowed the Minister of Finance to keep his bad budget showings during the last four years from being worse than they have been.

I saw an announcement some time ago that 44 claim investigators had been appointed to watch for fraudulent claims against the unemployment insurance fund, and I heard the Prime Minister (Mr. Diefenbaker) say on television that these people had been appointed and that any fraudulent claims made would result in prosecution. I have not yet heard of the results of any prosecutions which have taken place or how much money, if any, has been recovered, but I would say that the amount of money recovered is peanuts compared with the amount of money lost to the fund as a result of the fiscal policy of this government.

On May 3, the Minister of Finance reported that the amount of money to the credit of the fund as of March 31 was $185.4 million. This amount does not take into account the market value of $248.3 million worth of securities held in the portfolio. It means that the unemployment insurance fund is borrowing money against these bonds. It is hypothecating these bonds and borrowing money, so the real value of the unemployment insurance fund does not begin to equal the amount of bonds they hold. Back in 1959 we could not go to the bank and borrow money against these same bonds. The banks would not lend us money at that time. The market value of these bonds is less by $30.3 million in unpledged securities and by about $8.2 million in respect to pledged securities, being $38.5 million in all so that at the present time the market value of the unemployment insurance fund account is about $38.5 million below the amount of $185.4 million which the minister told us on May 3 was in the account as of March 31 last.

The advisory committee reported that during 1958 and 1959 they had taken a loss through the sale of bonds to the extent of $27.7 million. When one adds this to the depreciation in the present holdings of $38.5 million, the result is a potential loss of $66.2 million through bad investments on the part of those charged with responsibility for the unemployment insurance account.

The Minister of Finance has told us that in discussing this question we are talking from hindsight. I know I criticized the conversion loan at the time. The portfolio of the fund was filled with bonds of the conversion loan. At that time interest rates went up by 50 per cent if the longer term conversion loans were bought. I said that interest rates would go up and that therefore bonds would go down in respect to all maturities at that time. I said this would happen in connection with the provinces and the municipalities.

This whole matter of extra debt and high interest rates is closely associated with the unemployment insurance fund or, indeed, with any other fund which holds government of Canada bonds. Debt has a lot to do with it. The extra interest on our aggregate debt at the end of this current fiscal year will be some $800 million since this government has come into power and not once have they paid the interest on the interest. When the government has to borrow, interest rates move upwards and at the same time the value of the securities held by the unemployment insurance commission goes down. In order to meet this debt the Minister of Finance has borrowed money and he has paid high interest rates. The rates have been getting higher and higher. This has been done at the expense of the taxpayers of Canada and at the expense of such funds as the unemployment insurance fund, the army benevolent fund and other similar funds under the control of this government. After all, these funds are trust funds. They belong to the working people and to the poor people of Canada and I do not think the fiscal policy of the government should be such as to put them in jeopardy. When the bond market goes down, interest rates go up and the value of holdings in the unemployment insurance fund decreases. I know that the Minister of Finance had this to say as reported on page 2267 of *Hansard* of February 21:

> As long as the present government is in office you may be sure it is not going to pay one cent more interest on the moneys it has to borrow than is strictly necessary.

The Minister of Finance has accused us of talking from hindsight. I say that he certainly has not shown much foresight and, indeed, he has not shown much hindsight, either, because when he has borrowed money he has paid higher interest rates and that has certainly shoved down the value of these bonds.

I see it is almost ten o'clock. I do not wish to take up the time of the house much longer but I do want to say that on July 1, 1957, at about the time this government came into

power, there was $862 million in this fund. Today, with the securities at market value, it amounts to about $146 million. The fund is down by $716 million, and that is a lot of money.

Mr. Speaker: Does the hon. gentleman call it ten o'clock?

BUSINESS OF THE HOUSE

Mr. Churchill: The business for tomorrow, Mr. Speaker, will be the continuation of this debate.

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

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of debates pursuant to standing order 39:

HOGS—DEFICIENCY PAYMENTS

Question No. 195—**Mr. Pitman:**

1. How many farmers in Canada received deficiency payments for hogs between April 1, 1960, and March 31, 1961?
2. How many farmers in Ontario received deficiency payments for hogs between April 1, 1960, and March 31, 1961?
3. Did any farmers receive deficiency payments for hogs in Peterborough county between April 1, 1960, and March 31, 1961?
4. (a) What are the names and addresses of these farmers? (b) how much did each receive?

Answer by: **Hon. Alvin Hamilton (Minister of Agriculture):**

1. No hog deficiency payments have been made for the period April 1, 1960 to March 31, 1961.

2. Answered by No. 1.

3. Answered by No. 1.

4. Answered by No. 1.

GRADE 1 BACON EXPORTS AND IMPORTS

Question No. 203—**Mr. Pitman:**

1. How much grade 1 bacon was produced in Canada during 1960?
2. How much grade 1 bacon was exported to the United States during 1960?
3. How much grade 1 bacon has been exported to the United States, January to March 1961?
4. How much grade 1 bacon has been imported from the United States, January to March 1961?

Answer by: **Hon. Alvin Hamilton (Minister of Agriculture):**

1. There are no official bacon grades and no statistics indicating quantities of various qualities of bacon produced. Total pork produced in 1960 was 875,000,000 lbs. (trimmed carcass basis).

2. There are no specific figures for bacon but the quantity of pork exported to the United States during 1960 was 41,482,000 lbs.

3. There are no specific figures for bacon but the quantity of pork exported to the United States, January to March 1961, was 9,006,000 lbs.

4. There are no specific figures for bacon but the quantity of pork imported from the United States, January to March 1961, was 10,759,000 lbs.

Questions

QUEBEC—REGULATION OF MOVEMENT OF HOGS

Question No. 205—**Mr. Boulanger:**

1. On account of the hog cholera epidemic, is the movement of hogs regulated in the province of Quebec?
2. If so: (a) what type of regulation applies? (b) what are the counties where it is imposed? (c) which are the counties where there are premises infected without any control?

Answer by: **Hon. Alvin Hamilton (Minister of Agriculture):**

1. Yes.

2. (a) In all instances infected premises, adjoining farms and all farms to which hogs have been moved from infected premises are placed under quarantine. No hogs may be moved from such premises, without a permit, until the quarantine is lifted.

(b) In addition, there is a restriction on the inward and outward movement of hogs in an area comprising the counties of Bagot, Drummond, Nicolet and Yamaska.

(c) All counties are under the controls specified in (a). In addition to the counties listed in (b), there were infected premises during the month of April in the following counties: Arthabaska, Compton, Iberville, Joliette, Lotbiniere, Maskinonge, Napierville, Richmond, Rouville, St. Hyacinthe, St. Maurice, Shefford, Stanstead, Terrebonne.

HOG CHOLERA EPIDEMIC

Question No. 206—**Mr. Boulanger:**

1. Is there still a hog cholera epidemic in the country?
2. If so, since September 1960 to date for each province: (a) how many premises were infected (b) what was the number of swine slaughtered (c) amount of compensation paid (d) cost of veterinarians services (e) other costs for services in connection with the epidemic?

Answer by: **Hon. Alvin Hamilton (Minister of Agriculture):**

1. Yes.

2.

	(a)	(b)	(c)
Quebec	320	43,911	$1,208,810
Ontario	10	2,442	72,224
New Brunswick	3	35	1,078
Nova Scotia ...	1	32	826
P. E. I.	1	180	4,926

(d) No veterinarians other than departmental officers employed on a continuing basis have been engaged for the eradication program.

(e) The only cost for services, apart from salaries and expenses of departmental officers, has been $12,962.76 for hog cholera serum.

HOUSE OF COMMONS

Tuesday, May 9, 1961

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

REPORT OF FOURTH MEETING OF CANADA-U.S. INTERPARLIAMENTARY GROUP

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, first I want to refer to the fact that you have tabled in the house and distributed to hon. members copies of the Canadian delegation's report on the fourth meeting of the Canada-U.S.A. interparliamentary group. I think the house will agree that this group has made a unique contribution to Canada-United States relations as well as to a wide knowledge of international affairs. Under the circumstances, and as in the past, if the house would agree, the report might be printed as an appendix to *Hansard*.

Mr. Speaker: Is the house agreeable to the suggestion made by the Prime Minister that the document to which he referred be printed as an appendix to today's *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: For text of the report referred to above, see appendix.*]

UNITED NATIONS

CONGO—STATEMENT AS TO PROTECTION OF CANADIAN FORCES

Right Hon. J. G. Diefenbaker (Prime Minister): The hon. member for Vancouver East asked me a question yesterday regarding Canadian troops in the Congo. Since the answer is of some length I think it would be appropriate for me to give it at this time. His question arose in the light of the recent tragic loss of life among the Ghanaian contingent, and he asked for information about the position of Canadian troops and their capacity for self defence.

Canadian military personnel in the Congo are assigned to the United Nations and are under the authority of the United Nations Congo command. It is the United Nations command which has direct responsibility for the safety of United Nations troops, as well as for their effectiveness in carrying out their tasks.

On the question of self-defence, United Nations troops in the Congo are still under basically the same orders as those issued by the first United Nations commander, General Von Horn. These orders provided, in general, that members of the United Nations forces are authorized to use their weapons in self defence and to maintain positions which are considered tactically essential to the United Nations operations. These orders have been reinforced and given more detailed interpretation by the current commander, General McEoin.

In the light of the special difficulties and dangers faced by this non-combatant peacekeeping United Nations operation, Canadian members of the force have been given specific instructions by their Canadian commanding officer, derived from instructions issued by the United Nations commander. In essence the orders to Canadian troops provide that they may use their weapons for defence in certain clearly defined circumstances. Resort to force is, of course, to be used only if normal discussion or negotiation has proved impossible or unavailing.

The Canadian contingent in the Congo consists of technical and support personnel, mainly signallers. They are deployed at the U.N. headquarters signals centre in Leopoldville and in small detachments which operate communications at regional centres throughout the Congo. In Leopoldville the Canadian soldiers are responsible for the defence of their own building. The grounds around the building are guarded by line troops from other contingents in the U.N. force. At the regional centres the Canadian signals detachments are stationed within U.N.-garrisoned areas.

Despite their technical role, the Canadian troops in the Congo, because of the risks which have become evident in the situation there, have over the past few months been supplied with heavier weapons in addition to those with which they were equipped when they first went to the Congo.

I hope the house will agree that the Canadian troops which are participating in this Congo operation have been given reasonable authority and means with which to meet the dangers inherent in that operation.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I believe that all hon. members will have heard with satisfaction the statement made by the Prime Minister. All hon. members must be extremely proud of the way in which Canadian forces

are serving their country and peace in the Congo in circumstances of unprecedented difficulty which make the qualities of discipline which they possess even more important than they are ordinarily.

While we pay tribute to their devotion and to their discipline it is surely essential, as the Prime Minister has indicated, that there should be no doubt that they have both the authority and the facilities with which to defend themselves against unprovoked assault. It may not be easy to lay down, in the words of the Prime Minister, the clearly defined circumstances which would justify the use of defensive weapons, but I am sure every effort will be made by the United Nations to make sure that in the attempt to do that the safety and security of those concerned is the first consideration.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I appreciate the fact that the Prime Minister has taken the earliest opportunity to give to the house a statement on the question I asked him yesterday relative to the position of our Canadian forces in the Congo. I think it is important for all of us to recognize the fact that there is a difficult situation existing in the Congo, as there has been for some time.

As a result of representations made in the security council of the United Nations, Canada was asked, and immediately complied with the request, for certain men, in particular those who spoke French, to undertake certain responsibilities in the Congo. As the Prime Minister has pointed out, a number of difficulties have arisen, some of them of such a serious nature that there have been, I would say, most embarrassing attacks—without reply by the Canadians, for which fact they are to be honoured—but of recent days particular attacks on the U.N. forces of such a nature that they have led to a number of deaths.

We appreciate the statement which has been made by the Prime Minister. We hope he can perhaps enlarge on the statement, if not now then in the question period, as to exactly what is meant by what he said a few moments ago to the effect that instructions have been issued to our Canadian peace forces in the Congo to defend themselves under what he termed "clearly defined circumstances". I think, sir, that as Canada has met the requests of the United Nations in every respect, this house is entitled to know what the Prime Minister meant by "clearly defined circumstances". Because of what has happened to the troops of Ghana and, as we understand from the press, a number of white officers, I think we should know what equipment is now being supplied to Canadians.

[Mr. Pearson.]

In conclusion, I think it is imperative that the statement made a few moments ago by the Prime Minister should be enlarged so we may know whether any consultations have taken place between the government and the United Nations as to instructions through the secretary general of the United Nations to the command in the Congo concerning the arrest of those who have committed the slaughter of those who were trying to help, and what charges should be laid against them.

I think Canada has the right to ask for answers to the questions I have just outlined. Perhaps the Prime Minister would now, or later in the question period, elaborate on the points I have just raised.

[*Later:*]

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Prime Minister. In view of the statement made under motions a few minutes ago and my observations in regard to it I should like to ask, in the light of the fact that Canada's forces in the Congo, although in uniform, are a police force under the command of the United Nations, whether the Prime Minister would not give the house more definite information as to the nature of the arms carried by Canadians in the Congo. Would the right hon. gentleman tell us what he meant by saying that these arms could be used under "clearly defined circumstances"? Might we be told, further, whether any representations have been made to the United Nations, and through that organization to the commander in the Congo, as to the action to be taken with regard to those in the Congo who have apparently not understood, or object to, the efforts of Canada and the United Nations to make peace in that troubled area of the world?

Mr. Diefenbaker: In so far as the second question is concerned with reference to the grounds which have to be established before United Nations troops are entitled to respond with force, the circumstances that are to be taken into consideration are as follows: they have the right to resist attempts to disarm them; to resist attempts to arrest or abduct any United Nations personnel, military or civilian; to resist attempts to prevent them by force from carrying out their responsibilities as ordered by their commanders; and, in addition, to use weapons in defence of positions they have been ordered to hold.

As to the first question, notice of a similar question was sent to me by the hon. member for Davenport. He wishes to know, as does the hon. member for Vancouver East, the

nature of the arms which are issued or available to United Nations troops. Originally the Canadian contingent was equipped with pistols and sub-machine guns. They now have as well a quantity of semi-automatic rifles, six light machine guns and two 3.5 inch rocket launchers. Mr. Speaker, I am not sure what the third question was.

Mr. Winch: Mr. Speaker, perhaps I can put that question again in this way, in the hope that I am not making an erroneous comment. In view of what the United Nations wants and is trying to do in the Congo—Mr. Hammarskjold is doing a magnificent job in this regard—and since Canada is taking a part in the maintenance of peace in order to bring about a democratic state there; and in view of the unfortunate situation that United Nations representatives in uniform are being shot down, I should like to ask if this government has in any way taken up this matter with the United Nations in order to have United Nations action—because it is wrong to have a tour de force without force—and in the circumstances to bring to trial those who have done what has been done in opposition to the United Nations. On what basis have representations been made in order to bring to trial those individuals responsible for this criminal attitude, and what charges will be laid? Has any attitude been taken by this government on this most important matter?

Mr. Diefenbaker: Mr. Speaker, naturally discussions have been taking place in this regard, but when the hon. gentleman speaks of enforcing the law against those who break the law he should have some regard to the tremendous areas in the Congo and the virtual impossibility of enforcing the law against individuals.

In that connection I should amend an answer I gave yesterday with respect to Mr. Tshombe. I am now informed that the United Kingdom government did convey a message to the United Nations calling for the release from detention of Mr. Tshombe. I did not have this information yesterday. However, since the United Kingdom government sent this message the situation has altered, and I can only again express the hope that this trial will be proceeded with justly and fairly and with full recognition of the rights of an accused to a fair trial.

VETERANS AFFAIRS

AMENDMENT OF REGULATIONS RESPECTING SMALL HOLDINGS

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, some time ago I informed the house that the government was completing its study of the possibility of reducing the small holding acreage requirement under the Veterans' Land Act below the present minimum of two acres.

The government has now approved the principle that financial assistance for the establishment of a veteran on a small holding shall be made available where the land area is at least one half an acre in extent. The necessary amendment to the Veterans' Land Act regulations is in course of preparation and will set the effective date of the proposed change.

An additional amendment to the regulations will be made to provide that a veteran who has already been established on a small holding shall be permitted, where it is possible, to dispose of his land to the extent that it exceeds one half an acre. It is expected that it will be possible to grant this permission in the majority of cases.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I cannot help but rise and express the great pleasure of this group on the announcement just made by the Minister of Veterans Affairs that the government has approved in principle financial assistance to those desiring to obtain small holdings under the Veterans' Land Act by reducing the acreage requirement to half an acre. This will be a very welcome announcement to thousands of veterans in Canada who up to this time have been denied an opportunity to obtain a small holding because of the difficulty in meeting the former acreage requirement.

I was very pleased also to hear the minister say that arrangements are being made for veterans who are already settled to dispose of any surplus acreage above that amount.

BUSINESS OF THE HOUSE

FURTHER LEGISLATION TO BE BROUGHT DOWN THIS SESSION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he can inform the house when certain legislation which has been forecast will be added to the order paper, which has not been substantially changed for six weeks.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the fact that the order paper has not been substantially changed for six weeks in no way implies that the house has not been working full time. When the business on the order paper is cleared away, or nearly so, then will be the time to give effect to the adding of further items.

Inquiries of the Ministry

EXTERNAL AFFAIRS

CUBA—REPORTED STATEMENT IN OSLO BY EXTERNAL AFFAIRS MINISTER

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Prime Minister. I wonder if the Prime Minister would care to make any comment on press reports of statements being made by the Secretary of State for External Affairs (Mr. Green) in Oslo to the effect that the United States should take no unilateral action in Cuba.

Right Hon. J. G. Diefenbaker (Prime Minister): I have not seen the full text of the statement made by the Secretary of State for External Affairs, but what he is reported to have said is quite consistent and consonant with what I said in the House of Commons on April 19. As to armed intervention, there has never been any doubt as to the Canadian attitude. As I indicated then, Canada has no thought of intervening.

The rest of the statement was apparently concerned with the question of possible negotiation. Naturally, in view of the support we have at all times given for the settlement of disputes between nations by peaceful means, we would hope that a basis could be found for negotiation, although certainly the present circumstances do not lead one to be too optimistic in that regard.

Mr. Argue: Is there any thought that this particular issue and these particular differences might be taken up by the United Nations?

Mr. Diefenbaker: Differences do get taken up there from time to time.

Mr. Argue: Would Canada support such an action?

CUBA—INQUIRY AS TO TO CANADIANS BEING HELD

On the orders of the day:

Mr. J. A. McGrath (St. John's East): Mr. Speaker, I have a question for the Prime Minister. Can the Prime Minister tell the house whether there are Canadian citizens who are still being held by the Cuban authorities?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the Canadian embassy in Cuba has been doing everything possible to secure exit permits and transportation for Canadians who desire to leave Cuba. It is hoped that a number of Canadian priests and nuns whose work in Cuba must now be discontinued will be able to return to Canada.

In that connection I might point out that over the week end there was a serious deterioration in the situation in Colon, where many Canadian nuns are stationed. Representations were made by the Canadian ambassador and Premier Castro, who is taking a personal interest in the matter, has sent a personal representative to look into the question. I believe it can now be said that Premier Castro has undertaken to ensure the safety and welfare of the Canadians concerned. His personal representative is endeavouring to ascertain what action can be taken immediately.

In that connection I should point out that Father Paul Emile Chenard, a Canadian priest who has been under arrest since the middle of April, has now been released from prison and is safe and well. There is just one other Canadian under arrest, John Darling, and the Canadian embassy in Havana is continuing to make representations on his behalf to the Cuban foreign ministry.

Hon. Paul Martin (Essex East): Can the Prime Minister say whether the Canadian government through its spokesman, the Canadian ambassador in Cuba, has made representations with regard to the designation by Premier Castro of priests and nuns from this and other countries as scoundrels? Can the Prime Minister say, too, whether there has been any confiscation of properties in Cuba owned by Canadian religious bodies?

Mr. Diefenbaker: As to the latter part of the hon. gentleman's question or remarks, I might say we have no information in that regard that would lead us to believe that there has been any confiscation. As to the earlier part of his question, the hon. gentleman may rest assured that the fullest representations are being made by the Canadian ambassador in Cuba, and I am glad today to be able to report that the representations made by Canada have been so successful.

(Translation):

SHIPPING

BAY OF CHALEUR—REQUEST FOR ICEBREAKER ASSISTANCE

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I should like to direct a question to the Minister of Transport.

Is the minister in a position to inform us of the action taken by his department to dispatch ice-breakers to the Chaleur bay area so as to hasten the opening of Caraquet and Shippigan harbours where fishermen are anxiously waiting for the break up in order to begin their new fishing season?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, representations were received on March 24 from those two municipalities. At that time the ice was too thick and it was impossible for the department ice-breakers to break it.

Since then the ice-breaker *McLean* has kept on working in Chaleur bay, using a helicopter to keep a constant watch on the ice floes that have formed in the two harbours in question.

As soon as the ice is thin enough to be broken by our ice-breakers, this will be done immediately; this should take place early next week.

BRIDGES

CHAMPLAIN BRIDGE, MONTREAL—CONSTRUCTION OF APPROACHES

On the orders of the day:

Mr. H. Pit Lessard (St. Henry): Mr. Speaker, I should like to direct a question to the Minister of Transport. Would the minister indicate to the house if the plans for the Champlain bridge approaches are completed and, if not, what is the cause of the delay?

Hon. Leon Balcer (Minister of Transport): I will inquire about that, Mr. Speaker, and I will give an answer to the question tomorrow morning.

Mr. Lessard: I have a supplementary question, Mr. Speaker. Is it a fact that the government is waiting for the Montreal city authorities to decide where the east-west express highway will pass before deciding on the site for the Champlain bridge approaches?

Mr. Balcer: Mr. Speaker, the officers of my department are discussing the matter with those of the city of Montreal. I know the discussions have been going on for some time, but I am unable to say how the matter stands now. I will find out and give an answer tomorrow.

(Text):

NATIONAL DEFENCE

INQUIRY AS TO DISPOSAL OF SURPLUS CF-100 PLANES

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Is it a fact, as reported by the Canadian Press, that the R.C.A.F. CF-100 jet interceptors being withdrawn from disbanded air defence squadrons will be turned over to Crown Assets Disposal Corporation for sale as scrap?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, the CF-100's which will be surplus to establishment as a result of the disbanding of the four squadrons will have removed from them all parts that can be used for the purpose of making repairs on the other CF-100's which we will still hold. What is left after that, and to a large extent it will be the air frame, which has no practical value or use, as such, will then be turned over as scrap for disposal by Crown Assets Disposal Corporation.

Mr. Hellyer: In view of the obvious inference, can the minister say what plans he has for replacing the obsolete CF-100's being used by the five continuing squadrons?

Mr. Harkness: The hon. member well knows that I am not going to make a statement of major government equipment policy in answer to a question at this period of our proceedings.

Mr. Pickersgill: Is there a policy?

HOUSING

TRAIL, B.C.—FEDERAL PARTICIPATION IN URBAN RENEWAL PLAN

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of Public Works. In view of the anxiety of the Trail city council to proceed with its urban renewal development program as soon as possible, would the minister inform the house when he expects a decision will be made as to the acceptance of this program by the federal government?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, the Secretary of State for External Affairs made inquiries last week on behalf of the city of Trail. Recently the city submitted to Central Mortgage and Housing Corporation an application for a federal contribution toward the cost of acquiring and clearing a blighted area of approximately 14.4 acres. It is proposed that approximately 40 per cent of the cleared land be used to provide a right of way for the relocation of a provincial highway into Trail, and thus we have our difficulty.

It will therefore be necessary for the corporation to discuss with the city and the province the basis on which this land will be made available to the department of highways. I trust that these negotiations may soon be concluded so the corporation may make the appropriate recommendations to me. I should also like to assure the hon. member that this application will receive the most careful and sympathetic consideration.

Inquiries of the Ministry

Mr. Herridge: I presume the minister thought that the Secretary of State for External Affairs was inquiring on my behalf?

Mr. Walker: Mr. Speaker, I thought he was to make a speech last week in Trail.

AIR TRANSPORT

FEDERAL POLICY RESPECTING REGIONAL AIR CARRIERS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Minister of Transport. Has the government come to a decision with reference to a policy concerning regional air carriers? If so, does the minister anticipate making a statement on that subject in the near future?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, as I believe I said earlier in the house, the air transport board has made a complete review of all the regional carriers east of the lakehead, and it is anticipated that a decision on the various requests before the board should come within a very few days.

Mr. Chevrier: Can the minister say whether the application of Canadian Pacific Airlines for additional trancontinental air routes will be submitted to the air transport board for determination?

Mr. Balcer: Again, Mr. Speaker, I think I have said in the house before that all applications for internal air transportation have to come before the air transport board. So far as C.P.A. is concerned, when C.P.A. was granted a transcontinental flight across Canada about two years ago the air transport board said at the time that two years hence a review of the situation on the transcontinental route would be made by the board.

TELEVISION

SASKATOON—RECOMMENDATION OF BOARD OF GOVERNORS RESPECTING LOCATION

On the orders of the day:

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, yesterday the hon. member for Bonavista-Twillingate referred to a question he had asked previously of my colleague the Minister of Transport and myself respecting an application for a television satellite station in Saskatchewan. I am advised by the board of broadcast governors that the board has recommended to the governor in council approval of a satellite licence to A. A. Murphy and Sons Limited of Saskatoon. I am also advised that written representations have been received by the governor in council objecting to this decision, and the matter has not yet been considered by the government.

While I am on my feet, may I say I have had an inquiry from the hon. member for Moose Mountain respecting another application for a satellite station. This matter will be given consideration and a decision arrived at in the near future.

TRADE

URANIUM—INQUIRY AS TO NEGOTIATIONS WITH UNITED KINGDOM

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Minister of Trade and Commerce when he expects to leave for London to discuss the uranium contract with the British government?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I have been in touch with the high commissioner's office here about arranging a meeting between ourselves and our opposite numbers in the British government. The best arrangement it has been possible to work out is that as Sir Roger Makins will be visiting Canada on June 12, discussions on this important matter will be carried on then.

CIVIL DEFENCE

EXERCISE TOCSIN—COST OF SPECIAL TRAIN

On the orders of the day:

Mr. M. W. Martin (Timmins): I should like to direct a question to the Prime Minister, and I regret that I was unable to give him longer notice. With reference to the Canadian National Railways special train which evacuated government personnel in exercise Tocsin last Friday, can the Prime Minister inform the house whether the cost of this special train was paid for entirely by the Canadian National?

Mr. Speaker: Order; I think without notice the hon. member is a little optimistic in expecting this statistical information. I suggest that he put his question on the order paper.

[*Later:*]

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the importance which he placed on the statement made in the house last week concerning operation Tocsin which, for the first time—

Mr. Speaker: Order. If the hon. member has a question about Tocsin would he please ask it.

Mr. Winch: I am just trying to lay a basis for the importance the Prime Minister based on it. In view of operation Tocsin finding gaps in civil defence, has the Prime Minister given any consideration to an allocation of time to discuss this matter of civil defence and the results of the exercise from a federal, provincial and observer's point of view?

Right Hon. J. G. Diefenbaker (Prime Minister): The exercise was a most important one, and one of the purposes as stated was to assure that every element in our civil defence should receive proper attention.

Mr. Argue: Including observers.

Mr. Diefenbaker: In the province of the hon. gentleman, apparently the ministers did not participate, but in other parts of the country the provincial ministers did. When reports from the various parts of the country have been received and collated, then I will be in a position to make a report to the house. Consideration can then be given to the other parts of the hon. member's question.

[*Later:*]

Mr. Diefenbaker: I do not want any misunderstanding over the province to which I referred a moment ago. It was in consequence of an interruption on the part of the hon. member for Assiniboia that I made the statement in question as to participation.

Mr. Argue: Speaking on a point of order, Mr. Speaker, may I say that the Prime Minister referred to "my province". I think he should have said "our province".

Mr. Diefenbaker: That correction is accepted. However, the government of his province is the one to which I referred.

Mr. Argue: Your government.

An hon. Member: His government of our province.

UNEMPLOYMENT INSURANCE

WITHHOLDING OF BENEFITS DUE TO ABSENCE FROM AREA

On the orders of the day:

Mr. W. H. McMillan (Welland): I should like to direct a question to the Minister of Labour which has to do with two related matters to which I directed his attention last week. Is it necessary for the unemployed who have drawn benefits to clear with the local unemployment insurance office before leaving their area for a day or so? Will any of the unemployed who took part in the recent trip to Ottawa to see the government be penalized in any respect, for instance by the withholding of benefits?

Hon. Michael Starr (Minister of Labour): The other day the hon. member for Welland asked me a question which read as follows:

> I have a supplementary question. Without reference to the unemployed who came to Ottawa, how long can a man be out of his area and still receive unemployment insurance benefits if he is entitled to them?

I referred this question to the unemployment insurance commission and have received this answer: This depends entirely on the reason for the claimant's absence and whether or not he maintains his availability for work. Because of these factors no categorical answer can be given, each case being decided on its own merits.

Mr. McMillan: May I ask a supplementary question, Mr. Speaker. Is the minister aware of the fact that several unemployed have received letters to the effect that $8 will be deducted from their allowances for being away on that date?

Mr. Starr: Several of them have communicated with me, and I have turned over their letters to the unemployment insurance commission. I am awaiting the decision and reply of the commission.

AGRICULTURE

TURKEYS—REPORTED CHANGE IN QUOTA RESTRICTIONS ON IMPORTS FROM U.S.

On the orders of the day:

(Translation):

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I wish to direct a question to the Minister of Agriculture.

(Text):

Is it the government's intention, as reported in some newspapers, to put an end to the quota restrictions on turkeys imported from the United States?

Hon. Alvin Hamilton (Minister of Agriculture): I have not seen the article in question in the newspaper. However, the announcement I made in the house that there is no intention of changing the quota still stands.

SOYBEANS—REQUEST FOR INCREASE IN FLOOR PRICE

On the orders of the day:

Hon. Paul Martin (Essex East): In view of the remark of the Prime Minister with regard to an election perhaps I might ask the Minister of Agriculture, who of course is not concerned with elections, whether he has any reply to make to the representations made by the Ontario soybean growers' marketing board

for an improvement in the floor price. They asked for $2.50, and I hope the minister will be able to accede to that request.

Hon. Alvin Hamilton (Minister of Agriculture): Government policy in respect of this type of subject is announced at a time suitable for such announcement to be made.

ADMINISTRATION OF JUSTICE

NEWFOUNDLAND—INVESTIGATION INTO DAMAGE TO MAIL BOXES

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I should like to direct a question to the Postmaster General. Would the minister please advise whether the Royal Canadian Mounted Police have completed their investigation into the damaging of mail boxes in sites 58 and 59, Nagle's Hill-Higgins' Line, St. John's, Newfoundland?

Hon. W. M. Hamilton (Postmaster General): It has not been completed, Mr. Speaker.

Mr. Tucker: May I ask a supplementary question. How long does the minister think it will be before he receives a report?

Mr. Hamilton (Notre Dame de Grace): I suggest that the hon. member refer that question to the Minister of Justice. It is the Royal Canadian Mounted Police investigation, not ours.

Mr. Speaker: I think the hon. member might put his question on the order paper, since it does not seem to be one of sufficient urgency or importance.

TRANS-CANADA HIGHWAY

BRITISH COLUMBIA—REPAIR OF FLOOD DAMAGE IN FRASER CANYON

On the orders of the day:

Mr. Harold Hicks (Fraser Valley): I have a question for the Minister of Public Works. Some time ago I asked the minister whose responsibility it was to repair the trans-Canada highway flood damage in the Fraser canyon of British Columbia. I would appreciate that information.

Hon. D. J. Walker (Minister of Public Works): I regret overlooking an answer to the hon. member. The highway had been completed in this area in accordance with the trans-Canada highway agreement. This being the case, the maintenance of the highway then becomes the responsibility of the province. Having regard to the fact that the damage in this instance was caused by excessive rainfall, we must look to the province for the completion of repairs to the highway. The federal government has no responsibility.

[Mr. Martin (Essex East).]

CANADA GAZETTE

INQUIRY AS TO ACCURACY OF ANNOUNCEMENTS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Secretary of State. Can the minister assure the house that al announcements published in The Canada Gazette by any department of government are correct?

Mr. Speaker: Order. The hon. member is taking in a lot of territory. I am afraid he might not get a complete answer if he asked this question every day.

HOUSE OF COMMONS

INQUIRY AS TO POSSIBLE DATE OF GENERAL ELECTION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Prime Minister a question, Mr. Speaker, based upon nothing other than the pleasant state of euphoria that seems to have settled over the government recently. I wonder if the Prime Minister would tell us whether he has given serious consideration to initiating a federal general election on September 25 or October 2, 1961?

Right Hon. J. G. Diefenbaker (Prime Minister): I think that with the addition of those two dates, the opposition has pretty well covered every date in the year.

TRANSPORT

RICHELIEU WATERWAY—FORMATION OF JOINT U.S.-CANADA COMMITTEE

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): I wonder if the Prime Minister would be in a position to answer today a question I asked yesterday concerning whether or not the government had any representations from the state department—

Right Hon. J. G. Diefenbaker (Prime Minister): Oh, yes, Mr. Speaker. The hon. gentleman asked whether representations had recently been made by the United States state department regarding the possibilities of a joint survey of the Richelieu river canal project. A note on this subject was received from the United States embassy on May 4, and its contents are now being considered and studied by departmental officials.

Mr. Cardin: Would the Prime Minister consider tabling this correspondence?

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman knows that notes that pass between governments are not tabled in that way.

SPRINGHILL, N.S.—REQUEST FOR MAINTENANCE OF RAILWAY SERVICE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the Minister of Transport whether he has yet had a reply from the Canadian National Railways with respect to the suggestion that they take over the 4 mile spur line from their line into Springhill, Nova Scotia, about which the minister was asked on February 17?

Hon. Leon Balcer (Minister of Transport): I will have to inquire again, Mr. Speaker.

POWER

COLUMBIA RIVER—INQUIRY AS TO DISCUSSION WITH PREMIER BENNETT

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask a supplementary question of the Minister of Justice. Could the minister tell us how he got on with his discussion of the Columbia matter during the course of exercise Tocsin?

Hon. E. D. Fulton (Minister of Justice): To my regret, Mr. Speaker, and to my considerable surprise—and contrary to expectations—Premier Bennett was not at the emergency headquarters in Nanaimo. I understand he was not in the province of British Columbia at the time. Therefore I was not able to have any discussion with him.

SUPPLY

The house resumed, from Monday, May 8, consideration of the motion of Mr. Fleming (Eglinton) for committee of supply, and the amendment thereto of Mr. Robichaud, and the amendment to the amendment of Mr. Argue.

UNEMPLOYMENT INSURANCE—DEPLETION OF FUND AND DENIAL OF BENEFITS

Mr. W. H. McMillan (Welland): Mr. Speaker, last night at ten o'clock, when the house rose, I was discussing the amount of money in the unemployment insurance account. Last night I said that on July 1, 1957, just after the election, there was $862 million in that account. Today, with bonds and securities at market value, there is $146 million left in that account. It is down by $716 million.

I said that was a great deal of money. It is within $100 million of the extra interest that this government has saddled on the people of Canada. Together these two amounts total $1,500 million. That is just a fraction of what this government has done to the people of Canada with practically nothing to show for it. It has dropped this account by $716 million in something less than four years. By next July, when the four years are up, that fund will be down to $100 million or less, according to the unemployment insurance advisory committee, and they say most likely to $85 million.

In this $716 million depletion there is an amount of $66.2 million of actual loss from selling bonds at less than they paid for them and bonds held and priced at the present market value. The unemployment insurance coverage has been extended. The base has been broadened. But since the insurance aspect of this account has largely been forgotten by this government, it has assumed obligations in respect to unemployed people that properly belong to the government and not to the fund. Because of this situation the Minister of Finance has been able to shove some of the legitimate costs of government into that fund. As bad as they have been, his budgets would have been a great deal worse and he would have had larger deficits if the money in this fund had not been available.

The fiscal policy of the government has, through high interest rates, stagnated our economy. According to the press Mr. Coyne said that interest rates depended upon government and other requirements. Money is a commodity; and as with any other commodity, its price or the interest rates depend upon supply and demand. The Minister of Finance has certainly supplied the demand. I do not think there is much hope for an increase in the value of the bonds and other securities held in the unemployment insurance account, with the Minister of Finance on the sideline. You would almost think he is afraid to bring down his budget and show what a big deficit we had last year and what a big one we are going to have this year. At the same time we know that he will be requiring a great deal of extra money. It would seem that the minister's mind is in a state of turmoil, and that the budget will be based upon the political climate immediately ahead. I think he should adapt his budget to the needs of our country instead of to any political considerations.

If the unemployment insurance account is any indication of high finance by this government, the minister might better bring down his budget now and not have it embellished with any propaganda. The government lost over $65 million in the unemployment insurance account. Much of this amount was lost in the conversion loan issues. It does not matter whether you say that the conversion loan gave people bigger and better jobs, as the Prime Minister said it would. It does not matter whether you try to make the people believe that they got cheaper money, that provinces and municipalities got

money at a cheaper rate, as the government said they would. I think it all comes down to this point. You cannot make the working people of Canada or the taxpayers of Canada believe that the loss of this $65 million was good for them.

This loss has come about because of the fiscal policy of the government. We on this side of the house at various times in 1960, as well as the unemployment insurance advisory committee, advised the government that something should be done about this dangerous situation of the unemployment insurance fund. The speech from the throne also recognized this fact. Last November in the speech from the throne it was forecast that legislation would be brought down to replenish this fund. What has been done? We have been sitting here for over 100 days and nothing has been done. The fund has been forced to incur new losses through the sale of securities in order to meet the demands on it with regard to benefit payments.

There is obviously only one reason to explain the government's delay. In spite of the fact that the unemployment insurance advisory committee has advised that the government should take certain specific and concrete steps, and in spite of the existing emergency, after all these months the government have done nothing. They have not made up their minds. We do not know whether they are going to accept the recommendations of the advisory committee or whether they have an alternative plan.

I challenge the government at this time and I challenge the minister to deny that no amendments of the bill are ready to present to this house. I do not think they have any at this time. I ask the minister to tell the house when he intends to introduce this urgent legislation, and to give a definite understanding that the present session will not come to an end with nothing being done with respect to this fund.

I want to repeat that the government is facing an urgent situation. The fund is still forced to unload its securities at a loss. The fund is also forced to hypothecate some of these securities and borrow money from the Minister of Finance. I do not know what interest he charges. This process is bound to come to an end. They will soon have no bonds to sell and the unemployment insurance fund will soon have no bonds to hypothecate. Then, in the absence of new legislation, the fund will have to interrupt the payment of benefits to those who become unemployed, unless the fund is replenished. This would certainly be a catastrophe. There is, I know, one course which is open to the government, but it is an irregular and most unusual one. That would be to have recourse to governor general's warrants.

For all these reasons I ask the minister to present these amendments to the Unemployment Insurance Act early this coming week. This is not an unreasonable request on the part of the opposition. I think the government should long since have made up their minds as to what they are going to do, and should have presented this legislation to the house. If the minister does not comply with this request, we on this side of the house, hon. members in all parts of the house and the people of Canada will know that this government does not know where it is going. This is just another indication and example of indecision, procrastination and inaction on the part of this government, and we have seen many such examples in the past.

I think this loss of over $65 million in the unemployment insurance fund is a serious matter. I do not know whether it has ever happened before in Canada. Certainly I do not know of any other instance where a government had control of the working people's money and lost it by bad investment.

Mr. Martin (Essex East): And mismanagement.

Mr. McMillan: The unemployment insurance committee got out a special report on October 27, 1960. It is easy to read that report. I have it here. It can be read in half an hour. The government kept it for six weeks and presented it to the house in the dying hours of the last day of the session before Christmas.

Mr. Martin (Essex East): They did that twice.

Mr. McMillan: They did not want the people of Canada to know about this report before Christmas. The unemployment insurance advisory committee had this to say:

> It is not safe to estimate that the fund will have a balance of greater than $140 million to $150 million by the end of March, 1961.

They were right, because that fund has $146 million in it at the present time. In addition, they said that because of heavy seasonal benefits during April and May of this year the fund would possibly be as low as $85 million, a most unsafe level. The advisory committee called attention to two main items which created the major drains on the fund. They are first, the extension of the seasonal benefit period, and second, the drain on the fund caused by the extension of the coverage to the fishing industry. They state in their report that it is difficult to cover the fishing industry, since in most cases there is no contract of service, and therefore the control

provisions necessary to administer the act in connection with this industry are of little value.

The loss to the fund in respect to the fishing industry is $23 million over three years. Since part of this amount was included in the $119 million depletion, they consider that the fund in respect to the depletion caused by that industry should be replenished by $12 million. This makes a total of $131 million which they recommend the government should have put into the fund last summer or fall.

We think the fund should be on a good, sound basis. The higher rates of contribution came into effect in September, 1959, and the increases agreed fairly closely with the predictions of the actuary. However, this has been offset by greater unemployment and greater claims on the fund, and the fund has gone down.

In connection with this the committee made three or four recommendations which, if and when they are presented to this house, I think will be given favourable consideration. The first is that there should be two classes at the top of the earnings range. Also there should be a readjustment and consolidation of the lower classes of earnings, and a revision of the rates of allowable earnings. They recommend that we should eliminate the wage ceiling of $4,800 and fix a higher wage ceiling to suit present conditions.

I remember what was said in the house when it was decided to cover fishermen. Last night I heard the parliamentary secretary to the Minister of Labour claim credit for his party for covering fishermen. I recall very well that at the time they were covered Mr. Harris said in the house that money should be voted from the consolidated revenue fund to meet the losses incurred because they were being covered. I hope the hon. member has now learned the truth about it and that he will not rise in the house and condemn the former government for covering fishermen. After all, it has only cost the fund about $10 million a year to give this coverage to the fishing industry, and this is a small amount when you consider the total $716 million depletion in this fund.

Certainly the loss to the fund of $66 million would more than compensate for the loss incurred in this respect over six years. If and when amendments are brought before the house—and I sincerely hope they are brought before the house this year—we on this side will pass comments on them and make suggestions. We do not know what the government are going to do, but I should like them to bring legislation forward now and not be influenced by any by-elections which lie ahead, or by any other political considerations. I would appeal to the government; let them cease losing money out of the fund; let them cease playing politics with money that belongs to the workers of Canada.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, basically what I have in mind to say on this important matter which is now before us can be said in a very few minutes and a very few sentences.

This matter of unemployment insurance is of the utmost importance to the constituency of Vancouver East. The riding of Vancouver East is a working class, residential riding. Over the past few months the workers in that constituency have been hit very, very hard by unemployment. Therefore there is a great and grave concern for all matters concerning unemployment insurance, the act itself and the regulations made thereunder.

Bluntly, I am greatly disappointed that this issue is being discussed on a political basis, that the government and the official opposition are blaming each other for what has occurred. This matter is of such importance that it should not raise political considerations of credit or discredit; it is a matter which directly affects those who are unemployed and require assistance. It must be said that unemployment insurance is not a charity. It is assistance to those who are unemployed and, under the existing law, it is available as a right because of the provisions of the law and because of the contributions made by the federal government, the employers and the employees. Since it is a right, it should not come within the realm of political discussion such as we have heard.

It is a fact that in the past two or three years the unemployment insurance fund has dropped sharply from close to a billion dollars to its present unprecedented low state. Personally I have only one approach to this matter. My concern is not with who is responsible for what has happened or with praising or condemning the official opposition. My concern is to draw one fact to the attention of the government, which has the authority to act. It is this. The unemployed who are willing to work and available to work must be assured that there is sufficient money in the fund to take care of them if they are not able to obtain employment.

So, regardless of the mistakes of the past, and no matter whether the Minister of Finance has betrayed the people in connection with his bond issues, making them worth less than they were at the time of purchase, there seems to me to be only one matter of importance to discuss. If this government, with its authority and ability to bring forward legislation, is not able to supply employment to those who are able and willing to work, then there must be sufficient money in the unemployment insurance fund to take care of

those who cannot find jobs. That is the responsibility of the government, and that is the only thing with which I am now concerned as the representative of Vancouver East, where there have been so many unemployed in the past and where there are so many unemployed at the present time.

This is not simply a request. I do not like the word "demand", but I say this is a demand that the government accept its responsibilities, since this is clearly a responsibility of an administration which has made certain changes in the law in the past and under whose direction since 1957 we have come from a high point to a unprecedented low. I say that because of the trust placed in this government by the workers in 1957 and 1958, particularly in 1958, the government now has a duty to build up the fund so that in conditions of unemployment—and I think these, unfortunately, are a foregone conclusion—there are the facilities and the finances to tide these people over on a decent and reasonable basis until jobs are available.

One could speak, for half an hour, an hour, or longer on this issue of unemployment insurance, but I do not think anyone, regardless of how long he spoke, could put the issue more clearly. In a few moments, therefore, I intend to resume my seat. I will simply repeat that if these men cannot secure employment, after the promises that have been made them, it is up to the government, through financing and through legislation, to ensure to all the unemployed of Canada that the money is available to care for them on the best possible, reasonable actuarial basis.

On this note I intend to resume my seat, anticipating that the government will announce today or in the immediate future plans which will meet these requirements. If it should fail to do so, then it will have to accept responsibility for betraying the trust of those who voted for it and who sent over 200 of its supporters here at the last election.

Hon. Michael Starr (Minister of Labour): I have had the opportunity, today and yesterday, of listening to hon. members speaking on this motion to go into supply and on the amendment and the subamendment which have been submitted.

It seems to me that the main charge which most opposition speakers have laid against the government is that there has been mismanagement of the fund and mismanagement of the Unemployment Insurance Act. I want to say here and now there has been no mismanagement of the fund; there has been no mismanagement of the Unemployment Insurance Act. In the past, when bonds held by the unemployment insurance commission were sold, prior to the time this government took office, there were always losses on the sale of bonds.

An hon. Member: Profits.

Mr. Starr: There were losses of the sale of bonds during that period of time.

Mr. Martin (Essex East): These were forced losses; that is the difference.

Mr. Starr: As far as the act itself is concerned, the act was passed by parliament, and the amendments which have been introduced to that act have also been passed by parliament. I want to say that at no time, to my knowledge, has there been any mismanagement on the part of the administration of the unemployment insurance commission. They have always endeavoured to adhere strictly to the letter of the act and, as I said, that act was passed and approved by parliament itself.

It was interesting to hear the hon. member for Welland observe last evening, in effect, that the unemployment insurance fund had been used as a relief fund, intimating that people who should not be doing so were drawing unemployment insurance. The suggestion was that they should be taken care of in some other way, in other words that they should be on welfare relief. That is not the way this government has looked at this situation. The unemployment insurance fund is a matter of deep concern to this government, and that is evident from the fact that in the speech from the throne it was stated that amendments would be brought in to strengthen and build up the fund.

I am sorry to disappoint the hon. member for Welland, who may have thought, as he intimated, that this government did not intend to bring about any amendments to the act. These amendments are now being worked on. This is a difficult problem which has to be gone into in every detail, and entails a great deal of study. We will be bringing in these amendments, as we have said, because the state of the fund is of more concern to the government than to any member of the opposition.

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

Mr. Starr: I have listened to the hon. members of the opposition with the hope, because of the impression they have created as to their interest in the fund, that as responsible members of parliament they would come forward with their own suggestions regarding what could be done to strengthen the fund. The only suggestions I have heard from those hon. members is that we should enlarge the scope of the fund, that we should pay out more money to casual employees, and possibly take

money from the federal treasury to replenish the fund without endeavouring to bring it back within the insurance principles under which it was set up originally.

When we took office in 1957 it was quite evident that unemployment was on the rise, and that the former government had been warned by the economists that this unemployment situation was in the offing.

Mr. Pickersgill: Mr. Chairman, would the minister permit a question in this regard? He said the former government had been warned, and I wonder whether the minister could say when he discovered that the former government was warned.

Mr. Starr: Mr. Chairman, there was ample evidence of that when the Prime Minister produced the report which had been handed to that former government in the early part of 1957 but which was hidden at all times by the former government because it did not want to act upon it.

The fund was built up to some $940 million. It was the purpose originally to build up the fund. When I came into this house as a member in 1952 I had the opportunity of serving on the standing committee on industrial relations, and many times as a member of the opposition in that standing committee I urged the government to enlarge the scope of the Unemployment Insurance Act. I pointed out that the fund had been built up to close to $1 billion and that the people themselves should receive some benefit as a result.

We were told time and time again that the purpose of building up that fund was to take care of any unemployment situation that might arise. When we ascertained that unemployment was on the rise we felt, as a government with humanitarian instincts, that we should do something in the way of providing for individuals who found themselves unemployed for a certain period of time. To alleviate the unemployment situation we brought in amendments to the act, providing higher benefits by the establishment of two higher categories.

Up until that time the Unemployment Insurance Act provided for a maximum benefit of $30 per week. We established two new categories which provided for $33 per week and $36 per week, related to the contributions made by the employees, for a total period of 104 weeks. We felt we would give incentive to individuals to work by raising the allowable earnings, and we did so to the extent of 50 per cent of the benefits. In other words, a person receiving the highest benefit of $36 per week was entitled to earn $18 through part time employment during that week without any infringement upon his benefit. The individual was given the opportunity of receiving a total of $54 a week in the highest category.

The former government had cut down the period of benefits to 36 weeks. We decided to raise this period to 52 weeks. In the United States the federal government is going to increase the unemployment benefit period by 13 weeks, which means that the longest period an individual in the United States can draw unemployment insurance is 39 weeks. In comparison, an individual in Canada can regularly draw benefits, providing the individual qualifies, for 52 weeks and, with the addition of seasonal benefits, for a total period of 76 weeks.

Under the former administration married women came under the regulations but not under the act, and did not receive the same privileges as male employees. We remedied that situation by bringing married women under the act, providing them with the same benefits and opportunities as male employees. We also brought fishermen under the act.

Mr. Pickersgill: On what date?

Mr. Starr: Fishermen commenced to receive benefits under the act on December 1. Under the former administration they would have commenced to receive benefits on January 1. They in fact began to receive these benefits one month earlier than they would have.

This government gave consideration, at the same time, to seasonal benefits, which were available from January 1 to April 15. We had always in opposition advocated that these seasonal benefits should be extended from January 1 to May 15, giving an extra four weeks' benefit. However, this government went further even than that. The allowable period for seasonal benefits is now from December 1 to May 15, representing an increase of two months. In 1958 we further extended that period, in respect of one year only, by the addition of six weeks.

Regular benefits are based on the formula of two contributions for one benefit. Seasonal benefits were based on the same formula. We changed that formula in order to make it easier for individuals to qualify in respect of seasonal benefits. We changed the two for one formula and extended the seasonal benefits, so an individual can now draw five benefits for every six contributions. All these benefits, which are in effect now, were designed to benefit the working men and women of this country. I submit they have been of tremendous help to the individuals in this country who have been unemployed.

The hon. member for Assiniboia—and I need not remind hon. members that he is an aspirant for the leadership of the New party,

which is supposed to represent the working force of this country—yesterday charged that this government had pilfered the fund by doing the things it had done, and suggested that as the only reason the fund is at its present level. He charged that this government had pilfered the fund in order to bring forward these unemployment insurance benefits to which I have referred.

In view of this charge I am doubtful whether that hon. member is working on behalf of the working force, or whether he would be willing to do the things this government has done to the benefit of that working force. It has been suggested that we should protect the fund. No one has yet suggested what method in his opinion should be implemented to protect the fund and how it should be done.

Mr. Martin (Essex East): By not imposing an obligation to sell government securities at a loss.

Mr. Starr: Speakers on that side of the house have all said so far that whatever action the government will endeavour to implement by way of amendments to the Unemployment Insurance Act they will resist vigorously. That has been their position so far in this debate. "Whatever you try to do we will resist it vigorously".

Mr. Robichaud: Provide work and the fund will be sound.

Mr. Starr: The hon. member for Gloucester (Mr. Robichaud) says "provide work". If the Speaker would permit me to go beyond the scope of the amendment I would be only too glad to list item by item and in detail the 23 measures that the government has taken since November 23 to provide work, measures that are taking effect now and will continue to take effect. However, I am afraid the Speaker would not permit me to go beyond the scope of the amendment.

Mr. Ricard: More people are working now than ever before.

Mr. Starr: The charge has been made that the government has failed to act on the recommendations contained in the report of the unemployment insurance advisory committee. What part do hon. members advocate that we should implement? The part respecting fishermen? The hon. member for Gloucester says that nothing should be done in that regard and I am sure the hon. member for Bonavista-Twillingate (Mr. Pickersgill) would not be in favour of doing anything about it. What part of that report should be implemented? I am anxious to hear that. I am anxious to hear what responsibility members of the opposition have, whether they are prepared to say, "Here are our recommendations. This is what you should do. You should carry out all of it or just part." No one has said yet what part of these recommendations should be implemented.

At this point I will just mention in passing the matter of contracts of service and casual employment, and I will deal with it in more detail later. The hon. member for Gloucester has brought this matter to the attention of the house on a number of occasions. I want to point out to him that those persons who have employed people to fix their verandas or to paint the exteriors of their houses are not employers in the sense that they are registered as employers in the national employment service offices. They have been able to purchase unemployment insurance stamps without any check at the post offices throughout the country. No auditor from the unemployment insurance commission has been able to check on the validity of these purchases and the validity of the stamps that have been put into the books of those employed by such people because these people have no records. They have no payrolls. Nothing is kept. This has been a haphazard type of thing that had to be rectified.

Mr. Robichaud: Not in all cases.

Mr. Starr: When the hon. member for Gloucester drew the attention of the unemployment insurance commission to a case he was advised that the appeal with respect to that case would be heard by the commission. He was advised that he had the opportunity to appear in order to speak on behalf of the people involved. He refused to do so.

Mr. Robichaud: On a question of privilege, Mr. Speaker, I think the minister's statement should be corrected because in only one instance was I asked by the unemployment insurance commission to attend an appeal and as I was 800 miles away from Ottawa I simply could not be there.

Mr. Starr: I referred to only one instance and if I said that the hon. member refused to do so I will withdraw that and modify it by saying that he did not appear.

Mr. Robichaud: That is more like it.

Mr. Starr: We are now in the second day of discussion of another of those weak-kneed, wishy-washy, futile and frustrating amendments of Her Majesty's loyal Liberal opposition, and one minute's study of this amendment will reveal that it means absolutely nothing. I think this is another step, Mr. Speaker, and a backward one at that, in the constant effort to convince the country that

disaster is inevitable unless a Liberal administration is installed. Personally I cannot think of a more inevitable way to ensure disaster in this country.

Mr. Martin (Essex East): You do not believe that.

Mr. Starr: I certainly do.

Mr. Martin (Essex East): Oh, no, you do not.

Mr. Starr: Mr. Speaker, if the criterion is the negative, destructive and barren way in which they have approached every single measure brought forward by the government since November 17, I submit this country has little hope of anything from the Liberal party in the future. I am only guessing, Mr. Speaker, but from the notes that are being written on the desk of the hon. member for Essex East I think that in a little while we will once again be treated to the posturing and viewing with alarm of the hon. and doom-ridden member for Essex East. I think he will trot out all the arguments he has trotted out in the past, which are nothing but a tossed salad of verbiage so very dear to his heart—

Mr. Martin (Essex East): Repeat that. It is a good epigram.

Mr. Starr: —about mismanagement of the fund, which is his favourite topic.

Mr. Martin (Essex East): One of the most disgraceful episodes of the government.

Mr. Starr: He will talk about mismanagement by the investment committee.

Mr. Martin (Essex East): Forced on it by the government's financial policy and conditions of unemployment.

Mr. Starr: Incidentally, all but one member of that committee were appointed by the former government.

Mr. Pickersgill: What does that prove?

Mr. Robichaud: They are responsible to the present government.

Mr. Starr: If they were responsible when the Liberal government was in power, they are certainly the same people and are just as responsible now.

Mr. Martin (Essex East): May I ask the minister a question? Will he tell us of any incident under the former government where the investment committee was ever faced with the problem that faced it under this government involving as it did a conflict of interests because of the bond conversion policy of the present government?

Mr. Starr: The investment committee certainly has had to sell more bonds because we know that the fund is depleted and the only way it could be developed to the point where it is was by the sale of these bonds that were held.

Mr. Martin (Essex East): What about the trust fund?

Mr. Starr: Losses were also incurred in previous years when bonds were sold. I am sure that when the hon. member for Essex East rises to speak he will begin wheeling and dealing in his usual fashion and will come out with his statistics involving millions and tens of millions of dollars. I would not advise anyone to try to check the figures produced by the hon. member for Essex East from time to time. This is the 101st day of the session and up to now the government has brought in some 23 measures to combat unemployment and to stabilize the economy. During the whole session practically all of the actions of the government have been directed toward that end. Every one of these positive and beneficial measures has been strenuously opposed by members of the opposition.

Mr. Pickersgill: That is not true.

Mr. Starr: In the end, of course, they voted for them when a vote was forced.

Let us look at *Hansard* and see what these spokesmen for the Liberal party particularly have had to say about the measures we have introduced. Let us look at the amendment, Mr. Speaker, which they have placed before this house. It reads:

> This house regrets the failure of the government to ensure sound administration of the Unemployment Insurance Act, resulting in the depletion of the financial resources of the fund and new arbitrary administrative procedures which deny benefits to casual employees.

This is the whole of the amendment. I submit to you, sir, this amendment demands close scrutiny. In the first place, since the amendment was put forward by a supposedly responsible opposition, it shows an alarming ignorance of the structure of the administration and of the Unemployment Insurance Act itself. In so far as the administration of the fund is concerned, as I have pointed out earlier it is the same administration as has always been there. The investment committee is the same, with the addition of only one new member. The structure is the same. The fund is administered by a commission, as it has always been, and there is nothing new in the administration.

What does this amendment actually mean, Mr. Speaker? The amendment says, in effect, when you clear away all the verbiage, that the fund has been depleted and the government is to blame; that is the sum of the

amendment. At the same time, this peculiarly contradictory amendment accuses us of taking steps to prevent the depletion of the fund by denying benefits to casual employees. The hon. member for Gloucester claimed yesterday this is something new. I can only say that if those who framed this amendment had even a nodding acquaintance with this act they would know that casual employment is specifically excepted from eligibility for insurance under this act.

I refer to section 27, paragraph (p), which reads as follows:

> Excepted employment is
> (p) employment of a casual nature otherwise than for the purpose of the employer's trade or business;

I am informed, Mr. Speaker, that this section has been a part of the act ever since the act came into being. Now, all of a sudden the opposition discovers it and says, this is something new. The interpretation of this section, of course, is left to the commission; that is their business. The minister has no jurisdiction. The last recourse in this respect is the umpire. A recent decision of the umpire, and not the first of its kind I might point out, has confirmed the commission's interpretation of this section. I submit to you, therefore, that any suggestion that some new and sinister device has been introduced to deprive casual employees of benefits falls immediately by the wayside. I will go this far, Mr. Speaker, and say the act is now being enforced as perhaps was not the case in the past in respect of this matter. The enforcement is being applied without any partisan basis.

This is all that is in the amendment. It is contradictory as my parliamentary secretary pointed out last night. The amendment says that we have depleted the fund and then suggests that we should go against the provisions of the act by making benefits available for casual labour. This amendment may meet the requirements of the rules, but it certainly does not meet the requirements of common sense. I say this amendment is another calculated effort by the opposition to spread doom and gloom. How different is the situation in the United States from the one here. The outlook of the people is different, and there is no talk of gloom and disaster in that country. They are now saying they are on their way out of the recession; that is the talk in the United States. No one is going around spreading this philosophy of doom and gloom. They have faith in their country, and they are not trying to bring down the economy by spreading this sort of thing.

I should like to say this, Mr. Speaker. In yesterday's Toronto daily *Star* there appeared a headline on the business page which said: "U.S. Hope Soars Recession Over." There is no gloom and doom there. Then, the article goes on to say this:

> Rising automobile sales, increased steel production, a decline in unemployment, an improvement in sales of major appliances, a gain in manufacturers' new orders and sales, and an increase in instalment credit were in evidence.

These signs of a pick-up in the economy of the United States are being reflected here. When I was in Washington recently I did not solicit this information but I was told that even though we had gone into the recession earlier than the United States, there was every evidence they could see that we were coming out of that recession sooner than the United States. I mention this because it relates directly to the subamendment moved by the group to your immediate left, Mr. Speaker. They accuse the government of failing to give consideration to the reimbursement of the fund from the public treasury to take care of the excessive depletion it has suffered as a consequence of the recent abnormal unemployment.

In the first place I would submit, knowing that you have accepted this amendment, Mr. Speaker, that the amendment is not in accordance with the facts. The government has given consideration and is giving consideration to this matter as well as to other matters relating to the fund and the employment situation in general. There is plenty of evidence to that effect. As was pointed out by my parliamentary secretary last night, these are matters of policy which will be announced when decisions have been confirmed. I find it difficult to believe this amendment means what it says. Hon. members are criticizing the government for failing to give consideration, and this is hardly a motion of substance. What it means, if it means anything, is that they are telling the government to reimburse the fund from the public treasury. I am not arguing the point of order because you, sir, have accepted the subamendment, and I merely wish to deal with the meaning of this subamendment in the way which is open to me to reply to it.

I can only say that consideration is being given, in so far as the first part of the subamendment is concerned. In so far as the second part of the subamendment is concerned, there is a reference to the recent abnormal unemployment. This is just another means of getting back to the same old record. The hon. member for Gloucester said last night that the real reason for the depletion of the fund was the fact that people were unemployed. I think he repeated that this afternoon in his interjection. Then we listened to the hon. member for Welland (Mr. McMillan) who criticized us for taking money

from the fund in order to help people over difficult times. Let me ask this question. What does he think the fund is for? At the beginning of my remarks this afternoon I said that the fund was to help people, to tide them over a period of unemployment. We make and have made no distinction between those whom we feel are or are not entitled. The people who are drawing unemployment insurance are, in our estimation, entitled to it. Certainly we do not feel that they should be pushed aside out of the unemployment insurance fund and required to go on relief, as the hon. member suggested—

Mr. Pickersgill: That is just what you have been doing.

Mr. Starr: —and as the hon. member for Welland stated should be done. As a matter of fact, the hon. member for Welland placed himself in the position of talking against his own party's amendment which criticized us for denying benefits to casual employees. However, this is typical of the confusion that exists in the ranks of the Liberal members in this house.

In both the amendment and the subamendment mention was made of the depletion of the fund. Surely no one would imagine that the government is not aware of this fact—certainly we are aware of it—or that the government is not giving close care and attention to this matter. We mentioned it in the throne speech when it was read on November 17.

Mr. Pickersgill: And that is the last we heard of it.

Mr. Starr: Depletion of the fund is dealt with in the last report of the unemployment insurance advisory committee covering the fiscal period ending March 31. That report points to the extension of seasonal benefits as one of the major drains on the fund. This was done, Mr. Speaker. We extended these seasonal benefits. It was necessary to take this action at the time, as the committee itself recognizes when in its report it goes on to say this:

> This large sum has been distributed in relatively small amounts. It has been the means of relieving economic distress, through unemployment, of millions of individuals and their families.

The unemployment insurance advisory committee does not criticize the government for delivering economic distress. It is left for the opposition to do that. The committee merely points out that this is what has been done and it makes certain recommendations. Those recommendations are under consideration by the government. Certainly there has not been from the opposition any indication as to whether the government should adopt all of these recommendations or part of them. The results of that consideration which the government is now giving to those recommendations and others will be evident when the amendments to the act are brought down in this house.

There is also mention of the cost of benefits for fishermen. The hon. member for Gloucester has carefully studied that section of the report, I am sure; yet there was from him no suggestion that fishermen should not be eligible to receive benefits, and I repeat that statement. Earlier in my remarks I said —and I repeat it—that he has not said anything about that matter. He has not said that they should not be included under the act.

Mr. Robichaud: What I said is on the record.

Mr. Starr: Yes, but the hon. member also said that we should adopt the recommendations of the unemployment advisory committee, and that is one of the major points of the recommendations.

An hon. Member: He nailed you there.

Mr. Starr: We have not heard from the hon. member for Bonavista-Twillingate (Mr. Pickersgill) as yet. I will wait with interest to find out whether such a suggestion is forthcoming from him as to whether we should implement the report of the unemployment insurance advisory committee or part of it; and if so, what part. As a matter of fact, a careful study of the report of the advisory committee leads to only one conclusion, namely that the situation cannot be met simply by merely appropriating money through parliament to meet the payments from the fund. It is evident that what is required is a careful review of the act, something which we are undertaking with the officials of the unemployment insurance commission and with others, with a view to incorporating amendments that will restore the full effectiveness of the scheme.

This is the government's responsibility. This is what the government has been doing. It is not, I submit to you, Mr. Speaker, something that can be done overnight. I should like to get it done as quickly as possible. I know that by nature I am an impatient person but I find that in this case this thing cannot be done overnight or in a hurry. It must be done carefully. A great many factors must be weighed in making the decisions with respect to the amendments to this act and they must be given careful study. This is matter of government policy and it is not to be decided, I submit, at a time or in a way determined by the opposition. I may say that it is generally recognized that the greatest single drain on the fund has been the seasonal benefit provision under the act. This was introduced by

the former government in 1950. We extended it by two months. We changed the formula. I believe that the amendment at that time was piloted through by the hon. member for Essex East,—

Mr. Martin (Essex East): That is right.

Mr. Starr: —who was then acting on behalf of the then minister of labour.

Mr. Martin (Essex East): We never had unemployment as this government has had it.

Mr. Ricard: You mean horses were on the payroll?

Mr. Starr: In the circumstances, Mr. Speaker, I feel that it ill behooves hon. members opposite at this time to talk and act as though they had never heard of these things. We extended this provision; and I am not worried about saying that. I think we did a great deal of good by it. We helped people through a trying period. We did it when hardships were in prospect as the result of a continent wide recession, not one just confined to Canada.

Mr. Martin (Essex East): Twelve per cent in this country; 8 per cent in the United States.

Mr. Starr: Now they tell us we should further extend the act by including casual labour. The hon. member for Essex East just interjected percentages. I wonder whether he has studied—

Mr. Deputy Speaker: Order. I am sorry to interrupt the minister but I must inform him that his time has expired.

Mr. Pickersgill: Surely, the minister has unlimited time. He is the minister replying.

Mr. Deputy Speaker: If there is no objection, the minister may continue.

Mr. Pickersgill: Let the minister continue.

Mr. Martin (Essex East): But not to an unlimited extent.

An hon. Member: Stick together, boys.

Mr. Starr: The hon. member for Essex East just interjected percentages. I did not catch the full impact of those percentages.

Mr. Martin (Essex East): I said—

Mr. Starr: It does not matter.

Mr. Martin (Essex East): What I said was that in Canada—

Mr. Starr: It does not matter. I wish to point out to the hon. member that, in those states on the borders of Canada having the same climatic conditions as we have here in Canada, the percentage of unemployment is far greater than is the national average in this country and more than double what it is in Ontario.

Mr. Ricard: Under a good Conservative government.

Mr. Martin (Essex East): Let us not worry about that. Let us do something here at home.

Some hon. Members: Oh, oh.

Mr. Starr: If the hon. member would permit me to take the time of the house in order to go into detail and to enumerate and discuss in full detail the measures this government has taken since November 17, I should be only too glad to put them on the record since he has now made the remark "let us go ahead and do something about it" and has asked what the government has done.

Mr. Martin (Essex East): We know what you have done, and you have done very little. It is a disgrace.

Mr. Starr: I will confine myself to the amendments. Both these amendments are designed to bring forward the question of unemployment, and at the same time deprive the government of the opportunity of saying what is being done about it, as I said a moment ago.

The C.C.F. subamendment talks about "abnormal unemployment". These are the words you will find in their subamendment. Any substantial unemployment is abnormal as far as this government is concerned, and we are taking the most far-reaching steps ever taken in the economic history of this country by any government since confederation to deal with it.

As an example, in the present fiscal year we are providing for expenditures of more than $742 million in government acquisition and construction to help the economic situation. I submit this will help to deal with abnormal unemployment. I am directing my remarks only to the words which appear in the subamendment.

There are other encouraging items in the daily press which will have their effect on abnormal unemployment as referred to in the subamendment. Again, from last night's Toronto Daily *Star* which as all hon. members know makes a habit of stressing the brighter side of the news as far as this government is concerned, there is an article which says:

> From Vancouver—a $76 million copper order from Japan for British Columbia.

This will have an effect on abnormal unemployment.

Mr. Winch: Starting when?

Mr. Starr: I have not the details here, but I shall be glad to get them for the hon. member.

Mr. Winch: It will not be in operation for 14 months.

Mr. Starr: That is fine; that may be so. It is for the future. But surely the hon. member would not discount that.

Mr. Winch: No, I accept it willingly, but you are talking about the subamendment and the abnormal unemployment situation which now exists.

Mr. Starr: I am talking about the abnormal unemployment situation as it may exist at the moment. These things will help to alleviate that situation.

Mr. Argue: You mean that unemployment will still be here 14 months from now?

Mr. Starr: Other things will also help the situation now. This news story also refers to more than $200 million in long term contracts for British Columbia mining products. This, too, will have beneficial results in so far as abnormal unemployment is concerned.

Let me say that the shipping employment provided under the tremendous wheat sale to China will help to eat into the "abnormal unemployment" mentioned in the subamendment. I am still dealing with the matter of abnormal unemployment referred to in the C.C.F. subamendment.

From last night's *Citizen*, another purveyor of the bright side of the news, we have this item, which will have an effect on abnormal unemployment.

Mr. Pickersgill: Mr. Speaker, I rose on a point of order a few moments ago to point out that the minister had the undoubted right to speak as long as he wishes. I think Your Honour recognizes that he has this right under standing order 31.

Therefore even my intervention now is not taking away from his time. But since hon. members on this side of the house would like an opportunity to reply to the minister's arguments, I wonder whether the reading of newspaper clippings or stories which really have no relation to the motion is quite relevant. So long as Your Honour is willing to give the same indulgence to other hon. members, as I have indicated two or three times before, we on this side of the house are quite happy.

Mr. Starr: Mr. Speaker, I am not reading newspaper clippings; I am referring to news stories which have recently appeared in newspapers and which I submit will have an effect upon the charge made in the C.C.F. subamendment when they speak about abnormal unemployment. Those words are in the subamendment.

This is the charge being made against the government, and I want to say that all is not doom and gloom; there is a brighter side. It is not something that we, the government, are putting forward and trying to ram down their throats, but rather it is a disinterested viewpoint of what is being done in Canada and what is happening to help this situation.

Mr. Deputy Speaker: I cannot accept the view that because the subamendment contains the words "recent abnormal unemployment" it is permissible to discuss unemployment.

I may say that in my view relevancy may sometimes be more a method of speaking than the choosing of the subject for a speech. I think the hon. minister was not always relating his remarks to either the amendment or the subamendment.

The subamendment, in fact, deals with the suggestion that the government should have considered the reimbursement of the fund from the public treasury because of its excessive depletion.

Abnormal unemployment would be only a cause of the depletion of the fund, and really the subject matter of the subamendment is restricted to the reimbursement of the fund from the public treasury because of its excessive depletion.

Therefore if I think in some ways unemployment could be related to the subject matter of the amendment or the subamendment, I do not think it would be related in the way the minister has proceeded up to this time. In fact, I would say unemployment has also very little to do with the main amendment, because the main amendment concerns only the matter of the administration of the Unemployment Insurance Act. Maybe, it excludes unemployment.

Mr. Starr: I will abide by your ruling, Mr. Speaker. I had many other things to mention which are happening in this country and will take care of abnormal unemployment. Therefore there is no necessity for us to be steeped in doom and gloom; rather, I think there are indications of a brighter side in our economy for the future.

There has been an indication of this from even the Leader of the Opposition (Mr. Pearson). The leader of the Liberal party changed his outlook a few weeks ago. He now feels that an upsurge in the economy is just around the corner. But he is guarded in this respect, because he says, "Of course, it will not be because of anything this government has done".

Mr. Pickersgill: That is certainly right.

Mr. Starr: I ask this, Mr. Speaker. Is it because of the gloomy predictions of the opposition that the economy is on the upturn? No, certainly not. It is because of the actions of this government; it is because the actions of certain people in this country who have faith and hope in this country are bringing it out of the recession. This will come about regardless of the doom and gloom the Liberal party is spreading around in the hope it will have the desired effect, which is to bring the economy down.

Even the hon. member for Essex East (Mr. Martin)—that great prophet of good times and good cheer—said this in his usual buoyant and optimistic way:

I would hope it is an indication that forces of growth are present that might lead to an end of the recession—

Mr. Martin (Essex East): Hear, hear.

Mr. Pickersgill: Hear, hear.

Mr. Martin (Essex East): They were very good words.

Mr. Starr: He, too, can now see that the actions of this government and the measures which have been taken by this government are bringing about results and will bring about greater results in the months and years ahead.

The hon. member has no alternative but to turn around and admit it, as he has done in the past. I hope he will do so in the future, because I think the future of this country and its economy is much greater than he or I.

Mr. Martin (Essex East): I agree, because we will have a new government pretty soon.

Mr. Robichaud: Not a new vision, but a new government.

Mr. Ricard: You hope.

Mr. Starr: I should say, Mr. Speaker, that no government has ever worked as hard as the present government to bring about this buoyancy in our economy.

Mr. Pickersgill: Eighteen hours a day.

Mr. Starr: There are more people working today than ever before. Those same people are earning more, spending more and saving more money than ever before in the history of this country. I will say, as did my colleague the Postmaster General (Mr. Hamilton) that there are 500,000 more Canadians working today than there were when the Liberals were put out of office.

I would also point out to hon. members opposite that you cannot deal with unemployment in terms of actuarial considerations alone. We are dealing with men and women, Canadian citizens bringing up their children, sending their children to school. These are the people with whom we are dealing and we are very conscious of it. If I must choose between actuarial considerations and the alleviation of misery for Canadians, my decision will always be in favour of those Canadians.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I know it is going to be a bitter disappointment to the Minister of Labour (Mr. Starr) that his prognostication as to who would follow him has turned out to be wrong, and instead of listening to the eloquence of the hon. member for Essex East (Mr. Martin) he is going to listen to the faltering words of the hon. member for Bonavista-Twillingate.

Mr. Starr: I am disappointed.

Mr. Pickersgill: I am sure the minister is disappointed, but I hope his disappointment will not be too long sustained. Before I deal with some of the things the minister said, I want to refer to an exceedingly naive observation made last evening by the parliamentary secretary to the minister (Mr. Thrasher) at the very opening of his remarks, because these words appear most strange to me after all the resounding declarations about the rights of parliament and especially the rights of the opposition which we used to hear from the Prime Minister (Mr. Diefenbaker). Said the parliamentary secretary as reported at page 4522 of *Hansard*:

Mr. Speaker, once again we find the opposition introducing an amendment to a motion to go into supply under a guise that is purposely designed to permit them to make an attack on government policy—

Some hon. Members: Read on.

Mr. Pickersgill: I shall be happy to read on. It continues:

—on government policy with regard to employment in this country.

An hon. Member: Nothing to do with the amendment.

Mr. Pickersgill: What, may I ask, does the hon. gentleman think parliament is for? What does he think an opposition is for? Does he think that we on this side of the house, like the hon. gentleman and those around him, are a lot of rubber stamps or "yes" men or trained seals? Did the hon. gentleman wish to intervene?

Mr. Thrasher: I was wondering whether the hon. gentleman wished to have an answer to the question he just posed?

Mr. Pickersgill: My question was a purely rhetorical one and I leave the hon. gentleman to make any kind of answer that his essay writer is able to think up for him.

The Minister of Labour suggested that there was a contradiction in the amendment moved by the official opposition. Perhaps I might deal with that point before going on to deal with the other points made by the hon. gentleman. There is no contradiction. The plain fact is that there is a historical evolution. As the hon. member for Welland (Mr. McMillan) pointed out last night, the government in 1958 amended the act to provide for very greatly increased disbursements from the fund without making any provision for the replenishment of the fund. We condemned them at that time. We said that was an unsound policy, and we have repeated it on every occasion since. If the government had listened to us then, the fund would not now be in the precarious state in which it finds itself at the present time.

An hon. Member: They got their benefits increased.

Mr. Pickersgill: We did not oppose those benefits at any time. We oppose the conditions which brought about the increase in winter unemployment, dragging on into June of one year. We did not oppose the benefits, having regard to those conditions. But, we said, you have to be provident; you have to provide the money out of which to pay those benefits; you have no right to take money out of this actuarial fund by these unactuarial additions to it. That is our whole point. We have no objection to any of these benefits. Indeed, we are opposed altogether to driving people off the fund and putting them on relief.

But what happened? Last fall the condition of this fund began to worry the government. It should have worried them three years ago but at last they woke up to the fact that the position was serious. What did they do? In the guise of following strict insurance principles they looked around for the loopholes to get people off the fund and throw them on to relief. My hon. friend from Gloucester (Mr. Robichaud), my hon. friend from Beauce (Mr. Racine) and my hon. friend from Grand Falls-White Bay-Labrador (Mr. Granger) all pointed out last night that this is what happened. Work of a certain type was called casual employment. The work of carpenters employed by householders without there being a middleman was deemed to be outside the provisions of the act. Surely this is one of the last actions which one could have expected from a government which was urging us to "do it now" and encourage winter employment.

This decision had the result of discouraging employment. That is what they did, and that is what they are doing. Why? Because they are in a panic about the state of the fund. They did not take action of this kind in 1958 or in 1959. It was only in 1960 that this interpretation was introduced. Of course, when the case got to the umpire, the umpire had no choice but to make a strict interpretation. But there was never any need for it to have been taken before the umpire. It never should have been taken to the umpire, and since it was taken to the umpire—and the decision was made on February 3—the government should have had its bill in on February 4 or February 5 to correct the situation and see that protection continued to be given to those people who were working in good faith believing that the law which had been on the statute books since 1941 would continue to be administered in the same way as in the past.

There is no contradiction at all involved in the amendment. We are concerned about the depletion of the fund. Everyone is concerned about that, but the way in which to avoid the further depletion of the fund is not to cut off from benefit a group of people who have always been insured in the past. The way to deal with the situation is to find a sensible and stable means of replenishing the fund. But much more important even than that, is to get back to the kind of full employment we had in this country from 1945 to 1957. In all those years nobody worried about the state of the unemployment insurance fund. Nobody had any need to worry about it.

Mr. Macdonnell: Does the hon. gentleman seriously ask us to believe that he and his colleagues were responsible for the fact that unemployment was less in those years?

Mr. Pickersgill: Well, the hon. gentleman did not protest five minutes ago when the Minister of Labour was claiming that the present government was responsible for the end of a recession which has not yet come. Oh no. He is only too happy to let his colleague claim that. But when we suggest that Mr. Mackenzie King in 1945 appealed to the people of this country to put his government back in power on a policy of full employment, and that for 12 years afterwards there was full employment, and that there is some connection between those two facts, the hon. gentleman rises to object. As Mr. St. Laurent used to say, maybe it is a coincidence. But it has just so happened that ever since 1896 every time there has been a Liberal government in this country, the nation has grown and developed, and every time there has been a Tory government there has been stagnation. That is a historical truth.

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

Mr. Pickersgill: Mr. Speaker, I will take my 40 minutes and then the hon. gentleman can ask his question.

The minister said in the course of his remarks that the previous government had been warned in 1957 that the unemployment situation was coming. The minister chose to refer to this subject and I am sure Your Honour will not restrict me from doing the same. I asked him when the government had received that warning and he dodged the question. I know very well why he dodged it: because he remembered that on December 10, 1957, just six months after he came into office he said that there is hardly an economist or a student of the situation who does not feel that the unemployment situation is merely temporary and that, given a brief breathing pause, the natural buoyancy of the economy will assert itself. That is what the minister had to say on December 10. Was the minister that inept or blind?

Both Mr. Harris and the leader of the opposition had been warned in June that the unemployment situation was coming, but what did this collection of brilliant statesmen who had been in office six months have to say about this? After six months in office they had this to say, and I think it is worth repeating; "There is hardly an economist or a student of the situation who does not feel that the unemployment situation is merely temporary and that, given a brief breathing pause, the natural buoyancy of the economy will assert itself". A month and ten days later the Prime Minister had that apocalyptic vision in this house on January 20, 1958 and put forward carefully selected extracts from a document which, by all the conventions of our British parliamentary institution should never have been used in the way he used it, and created an impression which was totally out of accord with the facts, and out of accord with what the Minister of Labour had said a month before.

Mr. Horner (Acadia): Is it still hurting?

Mr. Pickersgill: I am not suggesting the unemployment situation is hurting the Liberal party today, but it is hurting that party which has been in power for four of the longest years we have experienced in Canada in recent times.

Mr. Deputy Speaker: I think I should remind the hon. member that I do not object to his answering arguments or statements made by the minister or other speakers, but I suggest that his answer should be short rather than of a type which would detract from the subject of the amendment. I indicated before it is my view that the unemployment situation cannot be the subject matter of the amendment because there is reference only to the administration of the Unemployment Insurance Act.

Mr. Pickersgill: I promise you, sir, that I will not take any longer in respect of any of these themes than did the minister himself.

The minister complained in the same vein as did the hon. member for Vancouver-Kingsway (Mr. Browne) and the parliamentary secretary. I will not take as much time as they did.

An hon. Member: It will seem like it though.

Mr. Pickersgill: Yes, it will seem like a lot longer to the hon. member before I am finished, though it will not take me longer.

I should like to ask the minister what he means by gloom and doom. I am going to ask him whether he means by gloom and doom that which is indicated in this statement:

> We on this side of the house hope that the government will act because there is no depression in other countries of the world. In Britain there is no such thing as serious unemployment today, the unemployment in Britain being less than half of our unemployment with a population several times greater than ours. The same condition prevails in West Germany and in other private enterprise countries.

Is that doom and gloom?

Mr. Hamilton (Notre Dame de Grace): There is no word there decrying the Canadian conditions.

Mr. Pickersgill: Oh, yes, the statement is that there is no other country in the world with such serious unemployment as we have in Canada. That is what is said here. I continue:

> We do not believe in preaching pessimism; we do not want to see the condition of affairs brought about which will create panic; but we are asking the government to act now—
>
> —this is not something new that has come to the attention of the government. It has been mounting for the last several years.

Is that, or is it not, doom and gloom?

Mr. Ricard: No.

Mr. Pickersgill: Let me read this:

> The government does not even recognize that there is serious unemployment. Unless they do recognize that fact they cannot achieve in their minds any actuality of a solution for the problem.

What a wonderfully accurate description of this government that is. I continue:

> I was reading Edmund Burke the other night and I saw something that is quite fitting. He said: We can never walk surely but by being sensible of our blindness.

Is this government sensible of its own blindness? I read further:

> How applicable that is to this government which is so insensible to its blindness, to its own postponing and procrastinating. It is ready to promise action some time in the future.

Mr. Chambers: On a point of order, Mr. Speaker, under the rules I believe the hon. member has an obligation to name the author of this excellent indictment of the previous government.

Mr. Pickersgill: If the hon. gentleman would like the name of the author of these words regarding doom and gloom, I will identify that author in this way; he is also the author of these words which were delivered on a television program on April 12, 1961—

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, on a point of order—

Mr. Pickersgill: They do not like this, Mr. Speaker, and I told you they would not.

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, on the point of order raised by the hon. member for St. Lawrence-St. George (Mr. Chambers), any hon. member quoting from a document in this house is obliged to identify directly the document and the author from which he quotes and, if the hon. member is quoting from *Hansard*, as I believe he is, I would ask that he give us the page, the date and the author.

Mr. Pickersgill: Mr. Speaker, I am going to save the time of the house by reading just one or two extracts from this—

Some hon. Members: Order.

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, with all respect, I would ask you to enforce the rules of the house in this regard.

Mr. Pickersgill: Mr. Speaker, on the point of order, I would also suggest it is a rule of the house that a member may read anything in the house if he makes the words his own, and I make these words my own, sir.

Mr. Ricard: You accept the words "doom and gloom" as your own?

Mr. Pickersgill: In this regard I would like to point out what that hon. gentleman said, and I will read his words.

Mr. Deputy Speaker: Order. I think the hon. member will realize he cannot have it both ways. He cannot assume the words as his own while at the same time referring to what someone else said. We are all apparently curious to have the individual identified.

Mr. Pickersgill: The gentleman who said that, sir, was then a private member sitting on this side of the house from the constituency of Prince Albert, and is today the Prime Minister of this country. Those words of doom and gloom were uttered during the one period of temporary seasonal unemployment of a serious character during that period.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I know that the hon. gentlemen do not like their leader's record exposed to the public, but would rather only have his visions exposed. They do not want to see their leader in the rags and tatters of another day. Their leader needs a new suit now, and needs one a great deal more than the country does. What this country needs is a new government. I would draw your attention to the words which were then expressed in that kind of statement to which, when we were on the other side, we took no exception. We did not say they were unparliamentary or unpatriotic.

Mr. Martineau: What did Mr. St. Laurent say?

Mr. Pickersgill: Mr. St. Laurent believed in free speech. He believed in respect for freedom.

Mr. Thrasher: Tell us about his relations with the C.B.C.

Mr. Pickersgill: He believed in respect for all members of the house and he showed respect for all members of the house—

Mr. Thrasher: Tell us about his relations with the C.B.C.

Mr. Pickersgill: —something that those of us who remember him here will never forget.

An hon. Member: Tell us about black Friday.

Mr. Pallett: Who was the prime minister during the pipe-line debate?

Mr. Pickersgill: If I had been responsible for blank Saturday I do not think I would be too keen to talk about black Friday. But I come to something that is rather more serious. Here is what the Prime Minister (Mr. Diefenbaker) said on the air:

> I refer, of course, to those who for political purposes—

He was referring to his opponents in this house in his usual courteous fashion.

> —downgrade the credit and prestige of Canada abroad—

Just listen to these words.

> —spreading the vicious propaganda of doom and gloom.

That referred to statements precisely like the speeches the right hon. gentleman made when he was not yet right honourable.

Mr. Pallett: If you live to be 100 you could not measure up to his speeches.

Mr. Pickersgill: Well, I can look at his speeches and read them, and I notice that hon. gentlemen opposite always object when any of the Prime Minister's old speeches

are read in the house. Their quality does not seem to be very durable. Perhaps that is why we always have to have something new.

Mr. Hamilton (Notre Dame de Grace): I wish you would make a few speeches like the one by the Prime Minister from which you just quoted.

Mr. Pickersgill: I was neither shocked nor surprised last night when the parliamentary secretary did what has been done in the Tory propaganda over and over again, and he was supported in this, which I thought was rather more serious, by the Minister of Labour (Mr. Starr). If I may have the attention of the Minister of Labour, I should like to point out that last night his parliamentary secretary made the categorical statement that fishermen were brought under unemployment insurance by the present government and the Minister of Labour echoed those words and said that was correct.

I have the reference right here. I have in my hand chapter 50 of the statutes of 1956, assented to on August 14, 1956, some considerable time before hon. gentlemen were on the treasury benches over there. Chapter 50 added to the Unemployment Insurance Act an amendment to section 29 in the following terms:

> Notwithstanding anything in this act, the regulations made with the approval of the governor in council under section 26 for including employment in fishing in insurable employment may, for all purposes of this act, provide for—

I do not think I need take the time to read the provisions. It does seem to me that a parliamentary secretary and a minister speaking in the house about their own department, about an act which the minister is responsible for administering, should know the truth about that act, and you could not have any better evidence of maladministration than evidence that the head of the department and his principal assistant are ignorant about the contents of the legislation. Either they are ignorant of the facts or a worse interpretation has to be put upon it and, as that would be unparliamentary, I will not do it. However, I will say, because it is not unparliamentary to say it, that the iteration and reiteration of this untruth, this false statement in the Tory propaganda, is characteristic of the propaganda of hon. gentlemen opposite in the constituencies. It does not seem to me that hon. gentlemen have gained very much by making that kind of claim.

The minister wanted to know what my views were about whether fishermen should be continued under the Unemployment Insurance Act. I do not think anyone else in the house needs to know what my views are on this subject.

An hon. Member: What is that?

Mr. Pickersgill: I do not think anyone else in the house needs to know what my views are on this subject. I was a member of the government that put that provision into the act and I will fight to the very limit of my capabilities to keep it there. I must say I am shocked by the apparent undercurrent of opposition to the coverage of fishermen under the act. As the hon. member for Gloucester said yesterday, these people are engaged in the most ancient industry of our country. I do not know of any group of people who are more deserving of protection similar to that given to other people and who were denied it for so long on technical grounds, and I say that once we have found some means of providing this protection it should be continued.

I know that quite an argument can be made for an alternative scheme, and that is fine if you are not a fisherman. But the fishermen, as the hon. member for Gloucester pointed out, are for the most part engaged in a seasonal occupation in most regions of Canada. There are a few areas where you can fish the whole year round but they are very few. The fishermen want to be under unemployment insurance and they want to get their stamps for their fish. Why? So that when other jobs are available they can get stamps for their other work and thus have coverage like other people. If they were under some other scheme they would not be able to take jobs during the part of the year that they cannot fish and get the coverage that other Canadians have. They would have to pay for their stamps but they would get no insurance, which would not be fair.

A great many of these people want to be able to take jobs in the winter time. It is true that most of them have not been able to take jobs over the last four years but that is not their fault. That is because jobs were not available. The hon. member for Gloucester gave the figures yesterday and they do not need to be repeated, but out of the tremendous drop in the fund of hundreds and hundreds of millions of dollars it is estimated that the drain of fishermen on the fund has been something like $23 million. That is not a very considerable amount.

But I will say this about the fund itself, and I think I betray no secrets in doing so. When this matter was considered at the time the addition was made to the act it was decided, after deliberation, that there first should be a year or two of operation under the act to see how it worked and it was also under consideration that if in fact, as seemed likely, fishermen's insurance would not be actuarially sound just as insurance in the case of other

seasonal workers was not actuarially sound, provision should then be made in some other way to meet the deficit so that these groups of people would not be a charge upon the fund itself and upon those who contributed to the fund who were doing so on what was a reasonable actuarial basis. It seems to me that is a reasonable position to take.

The question then is, how should the replenishment be done? I listened to the very interesting speech, except for the beginning and end which I must say I did not think very much of, made by the hon. member for Vancouver-Kingsway (Mr. Browne) who suggested that the fund should be replenished by an additional contribution or tax collected from all employed persons but not from those who have private incomes or from pensioners or retired people.

It does not seem to me, sir, that this segregation of one section of the population, however large it may be, makes much sense. It does seem to me that if we decided, as we decided when we first put seasonal workers under unemployment insurance, that we were going to use the Unemployment Insurance Act as a vehicle not merely for pure insurance of the actuarially sound cases but also to deal with the other related social problem of seasonal unemployment that has to be dealt with—I quite agree with the minister it must be dealt with humanely but our complaint is it has not been dealt with humanely enough —those groups covered by the act who are not covered in an actuarial way should be covered by the treasury, by all of us, by the community.

That is the position that the hon. member for Essex East took three years ago. It is the position that was taken by the former government when it was in office. It seems to me that, notwithstanding the repudiation of that position by the minister today, it is the only right and proper position to take in this matter.

I was astonished, sir, to hear the minister say that he had found that officials in the United States regarded conditions in Canada as being so much better than they were in the United States. This, of course, is not the truth. The statistics that are published by the dominion bureau of statistics and the corresponding United States statistics show that that statement is not accurate and is very far indeed from being accurate.

The minister talked about the optimism he found in the United States, and contrasted it with the gloom and doom he found in his own country where, apparently, the only people who are listened to by the minister and his colleagues are Liberals. It seemed to me that perhaps the minister was getting us ready for another "Follow John" campaign. However, this time there is a difference and the "John" we are to follow is not here in Ottawa but in Washington. I do not believe the notion that we should just let the United States solve its problems and hope that ours will be solved in the wash, is going to satisfy the Canadian people. The Canadian people want action from their government, as the right hon. gentleman pointed out in 1955, and they want action now.

The minister referred to the fact there was a mention in the speech from the throne of amendments to the Unemployment Insurance Act. The speech from the throne was delivered almost six months ago, and the report of the unemployment insurance advisory committee was, I gather, received about that time or even before that time. At any rate, the problem was certainly known when this announcement was made in the speech from the throne. A serious change had been made in the administration of the act adversely affecting thousands of Canadians who want to work as carpenters or in other forms of casual labour. These people want to follow the advice of the minister, and "do it now". They felt they had covered themselves, having bought stamps and having taken advantage of the employment offer, only to find they were cut off from benefits because of this rigorous interpretation. I say that the minister should have introduced amendments to this legislation when that decision was made.

Mr. Pearson: It is not ready yet.

Mr. Pickersgill: It is not ready yet; as a matter of fact, I doubt if one word has been put down on the first draft of the bill. Of course, they do not know when this legislation will be introduced, just as the Minister of Finance (Mr. Fleming) does not know what he is going to put in his budget. Perhaps they will not be able to decide what they can do about any of these things until the by-elections are over.

The minister talked about the 23 measures the government had brought in this year. He made a statement which is not in accord with the *Hansard* record, perhaps that is the best way of putting it, about the attitude of this party toward those measures. As a matter of fact, we shocked and annoyed the government by omitting the debate on the address so we could get on with the government's legislation. In most cases, we only made one or two speeches on these bills in order to get them through and give them a chance to work. We did not think much of some of them, but we said, give them a chance. What did hon. gentlemen on the government side of the house do? They talked and talked, just as they did last Saturday afternoon, saying what a good fellow the minister was and how

lucky we were to have "John" at the head of the government. They filibustered their legislation. Why was this done? It was done because the government's legislation is not ready yet. We have had nothing put on the order paper for six weeks except purely routine matters. We are supposed to be hastening toward the end of the session. We are asked to take estimates all week because the government cannot make up its mind what to do about the Unemployment Insurance Act or any other important measure that should be before this house.

Mr. Nowlan: That is absolutely wrong.

Mr. Pickersgill: The Minister of National Revenue (Mr. Nowlan) would perhaps understand me if I were to say that the government should put up or—well, the minister knows the rest. Let us see this action. Let us see this new vision of the new Canada that was unfolded at London while the rest of us were asked to do the nation's business and the leader of the government was politicking down at London.

Some hon. Members: Shame.

Mr. Pickersgill: Does the hon. member contend that was cheap? It was a pretty cheap thing for the Prime Minister to do.

Mr. Lambert: What you are saying is cheap.

Mr. Pickersgill: It was a pretty cheap thing for the Prime Minister to do. He is the head of the government, and he insisted on the rest of us being here. Where was he? He was politicking, emitting some hot air without any substance. If he had gone down to London and told them what was going to be done about the Unemployment Insurance Act, or told them what was going to be done about the fund or dealt with some of the problems of the country—

Mr. Starr: Would the hon. member permit a question?

Mr. Pickersgill: Certainly.

Mr. Starr: Would the hon. member advise the house where the leader of his party was and where the hon. member for Essex East was on Saturday?

Mr. Pickersgill: I would be very happy to do so. The Leader of the Opposition (Mr. Pearson) had an engagement which he had made before the Prime Minister forced this rule on the house which we opposed—

Some hon. Members: Oh, oh.

Mr. Pickersgill: I must say I am very glad the Leader of the Opposition was spared these 17 Tory speeches which bored the rest of us all day Saturday.

[Mr. Pickersgill.]

Mr. More: On a question of privilege, Mr. Speaker, may I say that the hon. member has made an accusation that the Prime Minister forced Saturday sittings on this house. The amendment for Saturday sittings was introduced by a member of the C.C.F. party and the leader of the Liberals at that time did not know what to do. The house almost unanimously adopted that amendment.

Mr. Deputy Speaker: Order; I think this discussion is entirely out of order. I think we should return now to a discussion of the amendment.

Mr. Pickersgill: As a matter of fact, I think that is a very sound idea. My time has nearly expired, and I want to say a word about the subamendment.

Mr. Browne (Vancouver-Kingsway): On the question of privilege that was raised—

Mr. Pickersgill: On a point of order, may I say that question of privilege was disposed of.

Mr. Deputy Speaker: I can hardly decide in advance whether or not the hon. member's question of privilege is to be accepted.

Mr. Browne (Vancouver-Kingsway): In so far as the question of privilege is concerned, the hon. member for Bonavista-Twillingate said that Saturday sittings were forced on the house by the Prime Minister. I believe that statement should be withdrawn. It is entirely false and inaccurate, as was pointed out earlier. He should be required to withdraw.

Mr. Pickersgill: There is no question of privilege, but I will happily amend the statement. I will say that the 200 sheep followed the Prime Minister and the rest of us had to submit to it.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Then, the Prime Minister did not do us the courtesy of being here himself. I have amended the statement, and I hope that will satisfy the sensibilities of hon. gentlemen opposite.

I want to go back to the amendment, because it does seem to me that no one in this party will have an opportunity to speak again before the division. I may say that we in the official opposition are heartily in accord with the subamendment moved by the hon. member for Assiniboia (Mr. Argue). In fact, the hon. member for Essex East began to urge this course in 1958, and he has been consistently urging it as have the rest of us who have spoken on this matter ever since that time. It is the only right and

proper way of dealing with this situation so long as there is abnormal unemployment. We, therefore, intend to vote for this sub-amendment.

I am not saying that nearly all the administration—

An hon. Member: Are you for Douglas or for Argue?

Mr. Pickersgill: Perhaps I could let this debate behind me go on for a minute or so.

Mr. Pearson: Why do they not keep order?

Mr. Peters: Why does not the hon. member rise in his place and make a speech?

Mr. Lambert: If I did so, I would treat the subject a little bit more logically.

Mr. Martin (Essex East): On a point of order—

Mr. Deputy Speaker: Order. The hon. member for Bonavista-Twillingate has the floor and I would ask all hon. members to please allow him to proceed with his remarks.

Mr. Pickersgill: I was saying that it seems to me quite important that we should take action and do so promptly and that this house should be given adequate time in which to consider the proposals of the government with respect to the replenishment of this fund and with respect to these abuses that hon. gentlemen opposite now assert they find in the administration of the act. Indeed, the hon. member for Vancouver-Kingsway himself said that the act now was in such a mess it could not be enforced by anybody. I suggest that we should have these amendments before us at once.

Hon. gentlemen complain about the lack of suggestions from the opposition; that has been a constant refrain. They complain about lack of suggestions from the opposition. There has been no lack of suggestions from the opposition either about this matter—a good many have been made right in this debate—or about the problem of unemployment about which the minister spoke. The minister referred to these measures and I remind the minister, since he referred to them first, that the vocational training proposals which were brought in last November were recommended by my friend the hon. member for Trinity (Mr. Hellyer) in 1958.

Mr. Starr: I was not allowed to speak about them.

Mr. Pickersgill: The minister says he was not allowed to speak about them.

Mr. Starr: Not about those things.

Mr. Pickersgill: I am confining myself to points raised by the minister and am raising no new matter whatsoever. The minister says the government received no suggestions from the opposition. Rather than give my views which some might regard as partial or biased I should like to read from the revised Canadian Annual Review for 1960, a publication which we have missed since 1939 and which all of us should be happy to see revived again because it is obviously a great contribution to our knowledge of affairs in this country. I should like to read from the Canadian Annual Review's summary on this very question of suggestions—and that is what makes it relevant—what the *Globe and Mail* said. They quote from the *Globe and Mail.*

An hon. Member: What is the page number?

Mr. Pickersgill: It is on page 20 of this volume. The *Globe and Mail* of August 12, 1960 said:

> It might have been assumed that the Diefenbaker government, with its huge majority, would have guided and controlled the proceedings in parliament. It did nothing of the kind. Instead, the initiative rested throughout with the opposition and the private members... In all the debates too, it was the opposition speakers who seemed to have most of the ideas. The cabinet provided little leadership. Its members gave the impression of men baffled by the problems which confronted them, unsure of their course, anxious to put off action in the hope that something would turn up.

Mr. Ricard: Who wrote that? A friend of yours?

Mr. Pickersgill: As far as the Unemployment Insurance Act is concerned, nothing has yet turned up.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I welcome the opportunity this afternoon of speaking on this amendment of welcoming the Prime Minister (Mr. Diefenbaker) back to the house and of expressing the hope that he has something to say on this important matter. It seems to me that this is the fifth or sixth time that we have discussed this matter of unemployment either in this manner or in others. Yet we are continually hearing the charge that the opposition has nothing further to offer. The reason this happens I believe is simply explained. It was explained quite simply by the hon. member for Vancouver-Kingsway (Mr. Browne) last night and I should like to refer to that matter. But before doing so, I should like to say what we think about the fund itself.

We in the C.C.F. believe, as our amendment states, that the fund itself is an insurance fund set up and contributed to by the employee through his contribution and through the wage factor that is a contribution of the employer. We believe that the government assumed the responsibility of administering the fund and also of making

a contribution to that fund. We believe that the fund itself is an insurance factor, that it must be run as an insurance fund, and that it should be for the use of that 1 per cent to 3 per cent of the Canadian people who, through no fault of their own, through normal unemployment can expect to be unemployed. This is the reason why the fund was established. It was not established for the maintenance of the Canadian economy in conditions of recession or unemployment.

By many of those who have spoken statements have been made to the effect that over the years the unemployment insurance fund in this country and those in other countries have been established to carry people over periods of unemployment and that they have been a vital necessity in alleviating the suffering and the other ills that affect those who find themselves unemployed through no fault of their own. This is our understanding of what the unemployment insurance fund is.

If anyone wants to know what is the difference between the three political parties with regard to the unemployment insurance fund, all he needs to do is to examine the record of the proceedings of the industrial relations committee of two years ago when the last amendments were made to the act. If he does so, he will easily be able to ascertain what is the attitude of each of the parties toward unemployment insurance.

The Conservative government has made to the act many amendments that have been advantageous. It is quite true that they brought in extensions to the period of benefits, increasing it from 32 weeks to 52 weeks. This action has been appreciated. It is also true that they extended the seasonal benefits, an action that has also been appreciated. However, in speaking of seasonal benefits, it should also be noted that these are still tied to contributions. Although you can extend them as far as you wish at either end, the contribution period is limited and will cover only a specific period of time in any event. Hence to extend it may mean that a person gets the benefits earlier but it does not necessarily mean that he gets any more unless his regular benefits have disappeared at a particular period during the seasonal benefit period.

It is also true that more people were added when the last amendments were made to the Unemployment Insurance Act. But these categories were high rate employees. They were people in the higher wage brackets. They were not such people as those who are coming into the employment market at the present time. They were not those who were in the casual labour class; they were not those that are immediately affected by seasonal unemployment. Rather they were the category of people who seldom, if ever, are unemployed; and if they are unemployed, they have skills that will enable them to take employment in fields other than the one in which they are highly skilled. They still have a good advantage in obtaining employment, if any employment at all is available. So these people did contribute and were not going to be entitled to any additional benefits.

We say the amendment should be amended by adding the following words:

—and its failure to give consideration to the reimbursement of the fund from the public treasury for the excessive depletion it has suffered as a consequence of the recent abnormal unemployment.

Because of seasonal employment conditions in Canada we believe that 1 per cent to 3 per cent unemployment may be expected. It certainly is not welcomed; it is not wanted; but we anticipate that from time to time there will be a slight seasonal unemployment situation in the region of 1 per cent to 3 per cent. Anything over this will be caused, or is likely to be caused by other reasons which do not come under the conditions for which the fund was set up.

We have suggested that anything over this figure must be compensated by the federal treasury because the federal government is responsible for the employment situation. I have not heard the minister say he is not responsible for the employment situation. We believe that in those fields where unemployment is greater than the minimum amount, the federal government must make contributions to maintain the unemployment insurance fund.

At the present time this is not being done. If another season passes and this situation prevails, we will either have to find new ways of adding money through contributions or the fund will no longer have any money in it.

Yesterday the hon. member for Vancouver-Kingsway (Mr. Browne) made quite a long speech. I see him today sitting in a position that would indicate he may be the assistant to the assistant to the Minister of Labour (Mr. Starr). If so, I wonder whether what he said is a reflection of this government's attitude.

The hon. member pointed out in his speech:

—we have seen once more a demonstration of the complete irresponsibility of the opposition in this house . . . and of their absolute failure to do anything—in fact their determination to do absolutely nothing—to assist in the solving of any problems that might be facing this country.

Our suggestion that we take from the treasury that amount of money which will be calculated on the excess of unemployment over what could be considered to be the original interpretation of the amount of

unemployment and put this money back into the fund certainly would not be doing nothing, I suggest, to solve this particular problem.

The hon. member goes on:

> We have heard a barrage of complaints about the unemployment insurance fund being depleted. I think this is a serious problem facing the country and the government has recognized that by indicating its intention to bring forward at this session of parliament amendments to the Unemployment Insurance Act.

Here the hon. member is not denying that this is a fact; he is saying the government is going to do something about it. Then he blames the opposition in these words:

> —they have failed completely to offer any suggestions except the one suggestion that they make on all problems that face Canada, that we should print some more money and pay it out of the federal treasury.

I have not heard that suggestion since the Social Credit party left this house. While it is true the hon. member may hear some of these suggestions from hon. members from Alberta in the backbench Conservative ranks, I have not heard it put forward as a solution for replenishing the insurance fund which has been depleted.

The hon. member goes on to say:

> Perhaps if we make a few more printing presses and print money faster we will be able to solve all problems on the basis upon which they want to solve them.

I am not sure who he is talking about there, because I have not heard these suggestions. However, I would suggest he has heard them from some of the backbenchers who follow very closely the Social Credit philosophy. The hon. member goes on to say:

> I am not suggesting more people should not be covered by the act and should benefit, but I hope I have enough responsibility to offer some suggestion as to how this can be brought about other than by printing more money.

I hope he has too. I want to read some of the suggestions he has made. One is:

> The act should be renamed the unemployment compensation act.

I do not understand just what advantage that would have. Then the hon. member suggests:

> Every person in the labour force who is employed under a contract of service should contribute to the fund regardless of income or occupation.

Here we have the solution of the Conservative party for solving the depletion of the unemployment insurance fund. They say, "Throw everybody into it. Let us no longer make it an insurance fund. Let us not have any risk involved in it at all. Let us throw everybody in, particularly those who could not be unemployed".

I suggest these people under a contract of service are the armed services, and certainly the civil service, because the hon. member goes on to mention the civil service. These are people who are not normally unemployed at all. They say, "Throw everyone into the unemployment insurance fund". This was the suggestion made by many hon. members in the industrial relations committee when the act was before that committee on a previous occasion. They said, "Throw everybody into it. They cannot possibly benefit from it, but we will get from them all the contributions we can".

What did they say about the Liberal government when they built up a huge fund? They said, "This is not fair; it is not in keeping with the insurance principle. This is not the way to do it". Now, when we find we have much greater unemployment, unemployment that really is not of a casual nature and which is draining the fund, they say, "Let us throw in a lot of people who could not possibly qualify for the benefits of this fund. Let us collect from them; let us collect from people who cannot possibly get any benefits".

This seems to be the solution put forward by these hon. members, and what is more dishonest than asking people to pay into an insurance plan who could not possibly receive any benefit out of it. No wonder the hon. member is honest enough to say, before he suggests this, that the name of the act should be changed. He says, "We will not call it an insurance plan any longer; we will rename the act the unemployment compensation act".

That is exactly what it will be. These people who are employed will be compensating the government and helping it maintain those people who are unemployed. This is not my interpretation of what an unemployment insurance act should be. This is not the interpretation I take from similar acts in other countries, where they consider the unemployment insurance principle to be a very important one for alleviating temporary, seasonal and casual unemployment which is not a major catastrophe, in an economic sense, in terms of having a large segment of the population unemployed, not through seasonal lay-offs but because of an economic condition which does not provide work for those who seek work.

The hon. member goes on:

> This has been extended to a complaint about the failure of the government to consider the reimbursement of the fund.

Why should not the government reimburse the fund? The situation is of the government's making, and I do not suggest it would be done only by a Conservative government. It would probably have been done by a Liberal government. It certainly would not be done by a C.C.F. government.

Some hon. Members: Oh, oh.

Mr. Ricard: There will never be such a thing.

Mr. Kucherepa: That could never happen.

Mr. Peters: If the hon. member wants to make a speech I will be quite happy to curtail my remarks so that he can rise and make it. He never makes a speech except from his seat, and it sounds like it.

The new expert on the unemployment insurance fund, the hon. member for Vancouver-Kingsway, goes on to say:

> The situation which has arisen at the present time makes it impossible to administer it properly, and with the paying out within the terms of the act that is being done, nothing could happen to the fund but its depletion.

I do not want to go into all the financial charges that have been made, because I am inclined to believe the minister who said this afternoon that there would have been little difference in the financial arrangements no matter what government had been in power, because there had been only one change in the staff which administers this act. I presume the minister meant the administration of the financial aspects of it. While it certainly has not been advantageous it is not necessarily the responsibility of this government.

The hon. member points out:

> The situation which has arisen at the present time makes it impossible to administer it properly—

Again, what he is saying is that you cannot administer the Unemployment Insurance Act properly if you have not more money going into it than is going out of it, and because we have not made the arrangements which he is suggesting by bringing in all the people who could not possibly find themselves in the position of being unemployed, we are not properly arranging matters. The fund is being depleted at the present time precisely because we are carrying people it was not anticipated would be carried when the act was passed. It was not contemplated that they would be carried, because at that time the people believed it was an insurance fund to cover only a limited amount of unemployment of casual or very short duration. The hon. member goes on to say:

> It then becomes a question of how the fund could be built up. The opposition has suggested, as I say, that the federal government should simply contribute a large amount of money to reimburse the fund.

That is not altogether true. The part of the opposition to which I belong, the efficient opposition, does say this, but I do not believe the official opposition has made any such statement that the government should put in the full amount needed.

An hon. Member: We have said that since 1958.

Mr. Peters: In that case I stand corrected. I should only try to speak for that part of the opposition which I represent. The hon. member went on to say:

> Many people now drawing out of the fund should not be drawing out of it, and many people who should be able to qualify to draw out of the fund are not now qualified to draw out of it, nor do they pay into it.

Good heavens, why should they draw out of it if they do not pay into it? This is an insurance fund, not a charity organization. It is not a dole. If they do not pay into it, why should they draw out? Sometimes we hear complaints from people who pay into it but who are nevertheless not eligible to draw out of the fund, and these are justifiable complaints. I hear occasionally suggestions from my constituents that because they have paid into the fund for many years and received no benefits from it they should be entitled to pay at a reduced rate as one does in the case of car insurance when there have been no claims. There is some merit in that idea.

As to that statement by the hon. member that many people who should be able to qualify to draw out of the fund are not now qualified to draw out of it, I hope that is not the impression which the Minister of Labour (Mr. Starr) holds. I hope the hon. member for Vancouver-Kingsway is speaking for himself, because this suggestion would mean the end of the fund and would put many people on the dole. There used to be a dole. That is how it was done in days gone by. Money was contributed by the federal government and they paid workers during the depression 20 cents a day to build airports all over the country; those engaged on building roads received a packet of tobacco once a week. This was a contribution by the federal government.

We are suggesting now that the government should make a much more substantial contribution in the form of a payment to the fund to compensate only for that portion of the outgoing which was not anticipated when the fund was set up originally on an actuarial basis. Present economic conditions—the recession, the depression, call it what you will—which now exist, are not the responsibility of the unemployed people of Canada but the responsibility of the government and, in a way, of the people as a whole because everyone in this country, really, in the last analysis, constitutes the government and should take the responsibility of replenishing the fund. As the head of the insurance branch indicated two years ago, approximately $500,000 would be considered a safe and sensible sum, though, of course, conditions have changed since then.

The suggestions to which I have referred are not the only suggestions which the hon. member for Vancouver-Kingsway made. It would appear to me that the hon. member had done considerable research and that he might even have consulted with the Minister of Labour before taking part in the debate. I should like to know whether the government approves the suggestion. The hon. member goes on to say:

> There are some groups, such as civil servants, who are not included under the act. I believe they should be.

I have already pointed out that this was the consensus of opinion among many members of the Conservative party on the industrial relations committee when the act was revised on an earlier occasion. The hon. member continues:

> The provinces can use their discretion as to which of their employees shall be subject to the provisions of the act and, of course, they follow the policy of insuring those people who are temporary employees and who are almost certain to draw benefit at one time or another. I feel, therefore, that these classes of employees are not bearing their share of the cost of unemployment insurance.

Well, if they are not, the hon. member should report them to the commission and I am sure they will cease to get the benefits.

Mr. Thrasher: The hon. member has completely missed the point.

Mr. Peters: You cannot sort them out, and the hon. member is either talking from ignorance of the situation or he is talking out of both sides of his mouth in discussing civil servants and their position with regard to the fund. If they are all going to be in it, that is okay. That is the suggestion the hon. member makes. But if he is going to suggest that we should let the temporary ones be permanent and still not draw benefits, then I think even his colleagues would disagree with him.

Mr. Browne (Vancouver-Kingsway): On a point of order, Mr. Speaker, the hon. member has been quoting from the remarks I made in this debate, taking them out of context and completely misinterpreting them. Now they are becoming confused with the comments which the hon. member himself is making. I think he should be required to make his own speeech.

Mr. Speaker: If the hon. member thinks he is being misinterpreted I will give him an opportunity to speak later on.

Mr. Peters: Well, this speech lends itself to misinterpretation. I hope I am not doing that—

An hon. Member: Make your own speech.

Mr. Peters: It is more fun rehashing this one, because these are new ideas and they are ideas which are being put forward by a backbencher in the Conservative party. I should like to know what is the position of the government with regard to them. Is the government going to adopt these views, or throw them out? Many of them, I submit, should be throw out but some of them may be of consequence and deserving of consideration by the government. It is for this reason I wish to refer to them.

Mr. Broome: Why not try to put forward some constructive ideas, too?

Mr. Peters: I presume that in discussing these matters we are raising constructive arguments. They are either worthy of some consideration or of no consideration. If they warrant no consideration, then, in bringing them to the attention of the house, we are helping to make sure that that is exactly what they will get. If they warrant some constructive consideration, they may receive that also. The hon. member goes on to say:

> If the federal government is going to contribute huge sums to the unemployment insurance fund, as they suggest, we would be taking the money out of general taxation. Among those contributing to its payment would then be persons in receipt of old age pensions and elderly people who could not possibly receive any benefit from the fund and who therefore, I submit, have no reason to be paying into it.

If they are paying into the fund apparently they are employed, and because they are receiving an old age pension they should not be prevented from receiving the benefits. Presumably they are receiving the old age pension because they have reached the age of 70.

Mr. Browne (Vancouver-Kingsway): Mr. Speaker, surely the hon. member should not be permitted to twist my words as he has been doing since he started.

Mr. Speaker: I take it the hon. member for Timiskaming (Mr. Peters) is referring to the viewpoint expressed by the hon. member for Vancouver-Kingsway (Mr. Browne) and endeavouring to counter that viewpoint in the debate. If he is improperly quoting the hon. member, that would be ground for complaint. However, as I have indicated, the hon. member will have the opportunity of correcting any misinterpretation of his speech, to which he takes exception, at the end of the hon. member's remarks.

Mr. Browne (Vancouver-Kingsway): If the hon. member wishes to quote my remarks from *Hansard* and gives the reference, I have no objection, but I do not believe he should be allowed to give his interpretation of what I said and use that for his own purposes. I presume he has been quoting from *Hansard*,

as he has held a copy in his hand and has purported to read from it, but he should not be allowed to make these twisted statements in portraying what I actually said.

Mr. Speaker: If the hon. member is quoting he should give the reference and should of course use the exact words. I think the point is well taken in this regard. There has been some doubt when the hon. member was quoting and when he was not quoting.

Mr. Peters: Mr. Speaker, I hope I have quoted the exact wording. I did not indicate where I was quoting when I commenced, but I am sure the hon. member will have little difficulty in finding his remarks. They appear at page 4518 of *Hansard* for May 8, 1961.

I was commenting on his statement—

Mr. Drysdale: You should say "I am quoting"—

Mr. Peters: I am not quoting. Mr. Speaker, I will use the quotation again. It appears in *Hansard* at page 4518 as I have indicated. He is reported there as saying:

> Among those contributing to its payments would then be persons in receipt of old age pensions and elderly people who could not possibly receive any benefit from the fund and who therefore, I submit have no reason to be paying into it.

What he is saying is that if an individual is receiving the old age pension, that individual should not be working. However, I suggest that an individual who is working, whether receiving the old age pension or not, must make contributions to this fund by law, and having made contributions, is entitled to receive the benefit. I do not feel that the old age pension has any relation to the unemployment insurance fund. Old age pensions are social benefits given to individuals who have reached the age of 70 years regardless of whether or not they are capable of working.

The hon. member then is reported as follows:

> I submit that we have to amend the act in such a way as to protect those who need protection and provide for them for as long as they need such assistance without regard to the number of contributions they have made to the fund.

I do not understand that statement at all. The hon. member suggests that we should not relate the benefit period to the amount of contribution. In that event any Tom, Dick or Harry, such as a young chap out of school who works for perhaps one week and then not again for the rest of his life would be able to benefit under this fund even though he has made no further contribution to it. Is that what the hon. member is suggesting? If it is, I think it is a ridiculous suggestion. If this is what is meant by amendments proposed to this act we will be here much later than June or July because I will never agree to that type of change.

Mr. Drysdale: You are limited by the rules.

Mr. Peters: I am well aware what the rules and privileges are.

I would like to read one further statement made by the hon. member for Vancouver-Kingsway, as reported at page 4518 of *Hansard* in the second column. That statement reads as follows:

> However, I do believe there are many married women drawing money out of the fund who have absolutely no need to do so. It is very difficult to establish whether or not married women are actually looking for jobs. This is one of the things, which in my view, is helping to drain the fund. Certainly, it is beyond the ability of government to control this practice by way of administration; an amendment of the act is required in order to deal with things of this nature.

The fact that a woman is married or not seems to me, and apparently as well to the Minister of Labour (Mr. Starr), not to be the criterion governing whether the individual should or should not draw from the unemployment insurance fund. The hon. member would have been well advised to have listened to the Minister of Labour this afternoon. If he had I am sure he would have taken the opportunity of correcting his misinterpretation. I say that presuming that he purported to speak on behalf of the party with which he is associated.

The minister said this afternoon that the act was changed in such a way as to give equality to women, and that this government would not discriminate against women in respect of the benefits of the fund. The minister is to be congratulated on making that very fair and welcome commitment this afternoon.

Mr. Speaker, may I call it six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Peters: Mr. Speaker, before the recess I had been commenting on some of the suggestions made by the hon. member for Vancouver-Kingsway (Mr. Browne) to solve the problems respecting the unemployment insurance fund. In that regard I should like to quote what the hon. member had to say in concluding his speech. As found on page 4521 of *Hansard*, he said:

> It is no use condemning perpetually. They always seem to be against something.

He was speaking of the official opposition.

> I have not heard a helpful suggestion come from them during the whole time I have been here.

I am reviewing some of the suggestions made by the hon. member in relation to the fund and what he would consider, I presume, to be solutions for the problems raised by the depletion of the reserves in the fund, which has dropped drastically since the government came into office. As I pointed out before the recess, this afternoon the Minister of Labour (Mr. Starr) in a very clear and concise manner answered the charge made by the hon. member in this statement, as found on page 4518 of *Hansard*:

> However, I do believe there are many married women drawing money out of the fund who have absolutely no need to do so.

The Minister of Labour commented on that suggestion and pointed out quite rightly that the government had established equality of opportunity for women, whether married or otherwise, in relation to the fund, and I think nothing further needs to be said about that. However, the next suggestion by the hon. member was, I think, a rather interesting one and warrants some consideration. I quote from the same page:

> Another cause of huge drains on the fund is the action of people who retire at the age of 65 and who then feel qualified to draw from the fund for 52 weeks. Though they only represent 3 per cent of the claims on the fund they are responsible for 10 per cent of the money paid out.

This seems to me to be an unusual statement. In analysing it, it is very difficult to tell whether or not the hon. member is opposed to these people retiring at 65 or is opposed to them qualifying because of the fact they have made contributions to the fund and as a result will get some benefits for a full year and will have some means of supporting themselves. This raises the problem of what happens to these people who have obtained benefits until they are 66 through this method of supplementing their income when no jobs are available to them. What happens to them between that age and the age of 70 when they are qualified to apply for assistance in another form? These people may only represent 3 per cent of the claims but apparently the hon. member wants to change the act and take away the benefit that accrues to these people who all their lives have paid into the fund and take advantage of the only opportunity they have to gain access to the benefits of the fund. I do not think they should be eliminated.

The hon. member went on to say, as found on page 4519 of *Hansard*:

> ...he indicated that in his view—

He is referring to the hon. member for Gloucester (Mr. Robichaud):

> —the reason that the unemployment insurance fund had been depleted was that there was a high number of claimants drawing benefits from the fund. With that statement I certainly agree. He did not blame the condition of the fund on the high unemployment particularly, as the sub-amendment does; he simply blamed it on the high number of claimants drawing from the fund. I think this is an accurate statement and a complete denial of the amendment which he subsequently moved.

This is a very interesting statement, Mr. Speaker. What is being said is that the substantial unemployment situation did not result in the large number of claims but that the claims were coming from some other source or were being made by people who were abusing the fund. He is saying that the number of people who are abusing the fund are much more numerous than the number of unemployed, that the high rate of unemployment did not have this effect but rather that it resulted from the actions of those who abuse the fund. The hon. member went on to say:

> I believe, as I had started to indicate before the dinner recess, that there are a number of reasons why there are a high number of claimants under the act. We have the case of married women.

He went on to say:

> In most instances it was also shown that they had husbands who were working full-time and for that reason there really was not any necessity for their drawing funds under the act.

Mr. Speaker: I am sorry to interrupt the hon. member but his time has expired. Does the hon. member for Vancouver-Kingsway wish to pursue the point of explanation he raised earlier?

Mr. Browne (Vancouver-Kingsway): No, Mr. Speaker.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, in the eight minutes that remain I must, of course, confine myself to one aspect of this debate and that is the subject of the investment of the funds of the commission. In this short time I shall endeavour to correct some of the welter of errors and distortions which have marked many of the speeches made by opposition members in the course of this debate.

There is nothing very new in what they have said. You will find that nearly all of it was said on June 16 and 17, 1959, in this house. The provisions of the Unemployment Insurance Act with regard to investment are direct and brief. Section 85 requires the Minister of Finance to invest all of the moneys to the credit of the unemployment insurance fund not required for the purposes of the act, in obligations of or guaranteed by the government of Canada. Section 20 sets up an investment committee composed of one person nominated by the Minister of Labour, who is the assistant deputy minister, one person nominated by the Minister of Finance, who is the deputy minister, and the governor of the

Bank of Canada. It provides that investment transactions under section 85 shall be made only on the authorization of that investment committee.

This is the same investment committee, Mr. Speaker, with one exception, that was in office when the present government came into power. It is in relation to the duties of investment a highly competent committee and there has at no time been any interference on the part of the government with the investment activities of the investment committee.

As to the policy followed by that committee, Mr. Speaker, it has been clear from the beginning. There were two objects in view. The first was to distribute the investments among all sectors of the market, and this was particularly important when the fund grew to a substantial size. The other purpose was to earn interest. While the fund was increasing it was the policy of the investment committee to spread the portfolio more or less in equal thirds between short term, mid-term, and long term bonds. When the fund began to decline it was the policy of the investment committee to sell bonds in a manner that resulted in only moderate capital losses.

Up to March 31, 1957, the total interest earned by the fund was about $223 million, or an average yield of just under 3 per cent per annum. Throughout that period short term rates, that is, on bonds two years and under, varied between one half and three quarters of the unemployment insurance commission's actual average yield. Had the investment committee confined its portfolio to short term bonds the interest earnings of the fund would have been about 40 per cent less than they actually were; and if one adds interest earnings on interest earned the fund at March 31, 1957, would have been at least $100 million less than it was.

In managing a fund of over $800 million, it would be impossible to sell hundreds of millions of mid and long term bonds into the market and buy in their place hundreds of millions of shorts without completely disorganizing the bond market. As the fund began to decline the policy of the committee was to sell in to the market in an orderly manner those issues which from time to time yielded the smallest capital losses.

Over the past four years the capital losses have been less than $30 million, or less than one third of the gain to the fund from having built up and maintained a balanced portfolio.

It would have been impossible to expect this debate would run its course without some mention by hon. members opposite of the conversion loan. Of course, they distorted the facts there, too. Let me make four points with regard to this matter.

First, of the fifth and sixth 3 per cent victory loans maturing in 1959 and 1960, the fund had held a total of $89 million. These were converted into 3 per cent's of 1961. These bonds were sold between November 16, 1959 and March 4, 1960 at a net capital loss of $3,587,509. Had the victory loan issues been unconverted, and had the bonds still outstanding been sold subsequently at the time the 1961's were sold, there would have been a capital loss of $1,449,505 and in addition there was a cash credit adjustment on the conversion of $648,874.62, making a net over-all loss due to the conversion of just $1,489,129.38.

Second, of the seventh 3 per cent victory loan maturing in 1962, the fund held $63 million which were converted into $3\frac{3}{4}$ per cent bonds of 1965. These were sold between December 9, 1959 and April 4, 1960 at a capital loss of $5,737,937.50. Had the 1962's been unconverted they would have been sold at a loss of $2,167,325. The net additional book loss arising from the conversion was thus $3,570,612.50; but there was a gain in interest earnings of $691,515.63 and a cash adjustment of $626,850, so the net loss was only $2,252,246.87.

Third, of the eighth and ninth 3 per cent victory loans the fund held $154 million and these were converted into $4\frac{1}{4}$ per cent bonds of 1972. These were sold in 1958, 1959 and 1960 at a capital loss of $9,495,211.25. Had they not been converted but had been sold at the same time as the 1972's there would have been a capital loss of $8,847,947. The net additional book loss arising out of the conversion was thus $647,264.25; but there was a gain in interest of $2,093,969.77 and a cash adjustment of $319,800, so there was an over-all gain of $1,766,505.52 to the fund.

Fourth, thus the total over-all loss to the fund arising out of the conversion operation was about $1,974,870.73 out of a total holding of $306 million or about one half of 1 per cent.

Some hon. Members: Oh, oh.

Mr. Speaker: Order; it being 8.15 o'clock, it is my duty, pursuant to section 3(d) of standing order 56, as provisionally amended, to interrupt these proceedings and forthwith put the questions now before the house.

The house divided on the amendment to the amendment (Mr. Argue) which was negatived on the following division:

YEAS

Messrs:

Argue	Batten
Badanai	Benidickson

Boulanger
Bourque
Cardin
Carter
Clermont
Denis
Deschatelets
Dumas
Eudes
Fisher
Forgie
Granger
Habel
Hellyer
Herridge
Leduc
Lessard
Loiselle
Macnaughton
McIlraith
McMillan
Martin (Essex East)
Martin (Timmins)
Meunier
Mitchell
Nixon
Pearson
Peters
Pickersgill
Pitman
Racine
Ratelle
Regier
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Robichaud
Tardif
Tucker
Winch—43.

NAYS

Messrs:

Aiken
Allmark
Anderson
Asselin
Balcer
Barrington
Baskin
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Best
Bigg
Bissonnette
Bourbonnais
Brassard (Chicoutimi)
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Campbell (Lambton-Kent)
Chambers
Charlton
Chown
Clancy
Coates
Comtois
Cooper
Creaghan
Crouse
Danforth
Deschambault
Diefenbaker
Dorion
Doucett
Drysdale
English
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Flemming (Royal)
Forbes
Fulton
Grafftey
Grenier
Grills
Gundlock
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hanbidge
Harkness
Henderson
Hicks
Hodgson
Horner (Acadia)
Howe
Johnson
Jones
Jorgenson
Jung
Kennedy
Kindt
Knowles
Korchinski
Kucherepa
Lahaye
Lambert
Latour
Lennard
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLellan
Macquarrie
MacRae
McBain
McCleave
McFarlane
McGee
McGrath
McIntosh
McLennan
McPhillips
McQuillan
Mandziuk
Martel
Martineau
Martini
Matthews
Milligan
Monteith (Perth)
Monteith (Verdun)
Montgomery
More
Morris
Morton
Muir (Cape Breton North and Victoria)
Murphy
Nielsen
Noble
Nowlan
Nugent
O'Leary
Pallett
Parizeau
Pascoe
Paul
Payne
Phillips
Pigeon
Pratt
Pugh
Rapp
Regnier
Ricard
Richard (Kamouraska)
Rogers
Rompre
Rowe
Sevigny
Simpson
Skoreyko
Small
Smallwood
Smith (Calgary South)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Spencer
Starr
Stearns
Stefanson
Stewart
Taylor
Thompson
Thrasher
Tremblay
Valade
Villeneuve
Vivian
Walker
Webb
White
Winkler
Wratten—149.

The house divided on the amendment (Mr. Robichaud) which was negatived on the following division:

YEAS

Messrs:

Argue
Badanai
Batten
Benidickson
Boulanger
Bourque
Cardin
Carter
Clermont
Denis
Deschatelets
Dumas
Eudes
Fisher
Forgie
Granger
Habel
Hellyer
Herridge
Leduc
Lessard
Loiselle
Macnaughton
McIlraith
McMillan
Martin (Essex East)
Martin (Timmins)
Meunier
Mitchell
Nixon
Pearson
Peters
Pickersgill
Pitman
Racine
Ratelle
Regier
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robichaud
Tardif
Tucker
Winch—44.

NAYS

Messrs:

Aiken
Allmark
Anderson
Asselin
Balcer
Barrington
Baskin
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Best
Bigg
Bissonnette
Bourbonnais
Brassard (Chicoutimi)
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Campbell (Lambton-Kent)
Chambers
Charlton
Chown
Clancy
Coates
Comtois
Cooper
Creaghan
Crouse
Danforth
Deschambault
Diefenbaker
Dorion
Doucett
Drysdale
English
Fairclough, Mrs.
Fairfield
Fane

Division

Fleming (Eglinton)	Montgomery
Flemming (Royal)	More
Forbes	Morris
Fulton	Morton
Grafftey	Muir (Cape Breton
Grenier	North and Victoria)
Grills	Murphy
Gundlock	Nielsen
Hales	Noble
Halpenny	Nowlan
Hamilton (Notre Dame	Nugent
de Grace)	O'Leary
Hanbidge	Pallett
Harkness	Parizeau
Henderson	Pascoe
Hicks	Paul
Hodgson	Payne
Horner (Acadia)	Phillips
Howe	Pigeon
Johnson	Pratt
Jones	Pugh
Jorgenson	Rapp
Jung	Regnier
Kennedy	Ricard
Kindt	Richard (Kamouraska)
Knowles	Rogers
Korchinski	Rompre
Kucherepa	Rowe
Lahaye	Sevigny
Lambert	Simpson
Latour	Skoreyko
Macdonnell	Small
MacEwan	Smallwood
MacInnis	Smith (Calgary South)
MacLean (Queens)	Smith (Simcoe North)
MacLellan	Smith (Winnipeg North)
Macquarrie	Southam
MacRae	Spencer
McBain	Starr
McCleave	Stearns
McFarlane	Stefanson
McGee	Stewart
McGrath	Taylor
McIntosh	Thompson
McLennan	Thrasher
McPhillips	Tremblay
McQuillan	Valade
Mandziuk	Villeneuve
Martel	Vivian
Martineau	Walker
Martini	Webb
Matthews	Weichel
Milligan	White
Monteith (Perth)	Winkler
Monteith (Verdun)	Wratten—149.

REQUEST FOR REFERENCE OF BANK OF CANADA REPORT TO STANDING COMMITTEE

Hon. Paul Martin (Essex East): Mr. Speaker, I rise to discuss a grievance which affects every member of this house, and which indeed affects the rights of parliament, involving the obligations of members of parliament in the performance of their duties.

The Minister of Finance (Mr. Fleming), a few weeks ago, tabled the report of the governor of the Bank of Canada, and that report dealt with the most fundamental questions facing Canada, particularly in so far as domestic problems are concerned. The report of the governor of the Bank of Canada deals with a number of matters and among these, of course, are the economic problems facing Canada at this time, and particularly the solutions which the governor of the Bank of Canada envisages in his program as a solution to unemployment in Canada. The key to his thinking in this regard is to be found at page 4 of that report where, in the second last paragraph he says:

> Economic developments have not been of such a character as to raise employment in step with the increase in the labour force.

The governor goes on, and I now refer to the press release which accompanied his report, to point out, among other things, that throughout the last few years unemployment trended upward on a steeper slope in Canada than in the United States. At another point he said that large scale unemployment is an indication of the failure on the part of all of us collectively to make the most effective use of the resources of modern technology and social organization at our disposal in Canada.

Then he asks what are the best measures to take and how is the cost of these measures to be shared by the various groups and individuals that make up our national community?

The Bank of Canada Act is one of the important legislative enactments of this country. It determines the authority of the governor of the Bank of Canada, and sets out the limitations on the functions of the governor of the bank. It establishes the authority of the bank in the formulation of monetary policy. The relevant sections in that connection are to be found in subsection 2, section 20; subsection 1, section 27; and subsection 3, section 18, of the Bank of Canada Act.

We are told by the government that it is anxious to expedite the public business, notwithstanding the delays for which it is essentially responsible. But we have not had from the Minister of Finance any indication of his desire to see to it that members of this house are given an opportunity of discussing the report of the Bank of Canada in the presence of the governor of the bank himself. The Minister of Finance in another context, when charged with some responsibility for monetary policy in Canada, has said that is the responsibility which exclusively resides in the office of the governor of the Bank of Canada. While he did not recite the pertinent sections of the Bank of Canada Act as his authority, the fact is that parliament has given to the governor of the Bank of Canada responsibility for the formulation of monetary policy. Thus far the statement of the Minister of Finance and the position I take and which is taken by this party are in accord.

The minister, of course, goes one step further and says that because parliament gives the governor of the Bank of Canada responsibility for the formulation of monetary policy he, the Minister of Finance, and

the government of which he is a member have no responsibility whatsoever for the consequences of the exercise by the governor of the Bank of Canada of his undoubted legal power in the formulation of monetary policy. We of course take the position that the government of the day under our system of government is responsible for all policy of any emanation of the crown, whether it be through authority exercised directly by parliament or indirectly by delegation from the government to a particular official, to a crown company or to any other instrumentality whatsoever.

But having in mind the position that the government takes through the Minister of Finance that it has nothing to do with monetary policy whatsoever, a mistaken position, the government is derelict in the performance of its duty in denying to parliament the opportunity of examining in detail the report of the governor of the Bank of Canada. There can be no discharging of that responsibility merely by a budget debate, by a set series of speeches in which the Minister of Finance discusses debt management, financial policy and indirectly comments, if he wishes, on monetary policy.

There can be no excuse whatsoever, it seems to me, for the government of the day taking the position that if the authority of the governor of the Bank of Canada is exclusive in this matter parliament should be denied the right of examining the report of the Bank of Canada, particularly when it deals with matters of such fundamental concern to this nation as unemployment and economic conditions generally in our country.

Part of my grievance, sir, arises out of Your Honour's interpretation of our procedures, and I do not quarrel with that interpretation. That is not the purpose of this present intervention. But Your Honour has ruled that it is not open to a private member of the house to move to have the report of the governor of the Bank of Canada be placed before the banking and commerce committee or any other committee of the house. You have so ruled and we have abided by that ruling. In spite of this, attempts have been made through other devices to try to get the report before the banking and commerce committee.

I asked the chairman of the banking and commerce committee the other day when that committee was going to meet, obviously for the purpose of giving those of us who take this position an opportunity in that committee of asking the committee to determine on a course involving a reference to the house for the necessary authority to examine this report and, if so agreed and if need be, to examine the governor of the Bank of Canada. The chairman of the banking and commerce committee, the hon. member for York North (Mr. Cathers), said he would take notice of my question but so far we have had no indication from him when the banking and commerce committee is going to meet.

Likewise, realizing that there was a procedural difficulty and bearing in mind the assertion of the Minister of Finance that this was a responsibility which the governor of the Bank of Canada owed only to parliament and not to the government, we have sought at various times during the course of the present session to obtain from the Minister of Finance his co-operation in having the report of the governor of the Bank of Canada referred to the committee on banking and commerce. This was done on April 27 when I asked the Minister of Finance if it was the intention of the government to move to refer the annual report of the governor of the Bank of Canada to the standing committee on banking and commerce or to any other committee of the house. The Minister of Finance replied as found on page 4042 of *Hansard*:

> Mr. Speaker, following the question asked by the Leader of the Opposition, I really can see no advantage to parliament or to the public in that course.

That is the Minister of Finance who says he has no responsibility for monetary policy. This is a matter that concerns parliament, he says, and whatever authority the governor of the Bank of Canada has he has it from parliament directly and not through the government or the Minister of Finance. Yet, having taken that position, the Minister of Finance says, "I really can see no advantage to parliament or to the public in that course", as if it was the responsibility of the Minister of Finance to determine the collective judgment of parliament.

We ask the Minister of Finance and the government to let parliament decide whether it is in the public interest to take this course, and if ever there was a government that should not hesitate to accept this suggestion it is a government that has dedicated itself, according to its own admission, to the championing of the rights of parliament. Imagine a government that says it respects the rights of parliament as other governments have not and at the same time allowing this Minister of Finance to say that he sees no advantage to parliament or to the public interest in having the Bank of Canada report referred to a committee of the house, specifically the banking and commerce committee.

Mr. Benidickson: A somersault from 1956 and 1957.

Mr. Martin (Essex East): The hon. member for Kenora-Rainy River says it is a somersault from 1956 and 1957. This is one further example of the way in which this government's actions are inconsistent with its professed idealism about human rights and the rights of parliament. If the Prime Minister (Mr. Diefenbaker) believes in the rights of parliament as he says, if he really believes in the philosophy behind the bill of rights, why does he sit there next to the Minister of Finance and not give to parliament its responsibility which the Minister of Finance says belongs to it alone? In defence of my last observation the Prime Minister has a synthetic good humour displayed all over his face. The Prime Minister's conduct and that of the Minister of Finance in this and in so many other matters establish beyond doubt that there has never been a more arrogant and ineffective government than the government that now faces us.

But, Mr. Speaker, on April 27 the Deputy Speaker construed the words of the Minister of Finance as not implying that there was no advantage to parliament or to the public interest in that course. He interpreted the words of the Minister of Finance as every member of the house did and certainly as I did when he said, as found on page 4043 of *Hansard*:

> Unless I am mistaken, the Minister of Finance has already indicated he does not consider this suggestion to be in the public interest.

Imagine the Minister of Finance using words which Mr. Deputy Speaker interpreted as saying that the Minister of Finance is of the view that it is not in the public interest to have the annual report of the Bank of Canada referred to the banking and commerce committee for careful scrutiny. Yet we have a Minister of Finance who, in defence of freedom in this house, paraded himself from the Speaker's chair to the entrance of the house, draped in the symbol of his professed love of liberty and of the rights of a free parliament. In spite of this, he will take no step, as Minister of Finance, to allow a committee of this house to examine the most important report placed on the table of this house since this session began, a report which deals with matters in which the governor of the Bank of Canada takes issue with the position taken by the government.

This, however, does not in any way relieve the government from taking a procedural step which is in accordance with the best parliamentary traditions and is in accordance with the rights of this house, namely to examine this report by the governor of the Bank of Canada, to determine whether or not the positions which he has publicly assumed bear any relationship when they are contrasted against the policies of the government.

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

Mr. Martin (Essex East): Yes.

Mr. Brunsden: Is he prepared to accept the report of the governor of the Bank of Canada as the official view of the opposition?

Mr. Martin (Essex East): In answer to the hon. gentleman, I may say that what I want to do is to find out whether this report does offer a solution for the most important single problem in our country, about which the government is doing very little, that is the problem of unemployment. The governor of the Bank of Canada has said that this nation has the capacity to resolve the problem of unemployment. This is fact No. 1. Fact No. 2 is that we have over 700,000 people out of work. The government is not resorting to policies which the governor of the Bank of Canada believes are capable of mitigating this problem. It is because I want to examine the governor of the Bank of Canada, and so do other members of the Liberal party, to ascertain whether or not there are solutions within the context outlined by the governor of the Bank of Canada in this report and certain public speeches, that I want the report referred to a committee. I say that is the right of every hon. member in this house.

There has been some talk about the rights of parliament in connection with this matter. The Minister of Finance was pressed by the Leader of the Opposition (Mr. Pearson) on April 27, Mr. Speaker, when he put this question to him as reported at page 4043 of *Hansard*:

> ...may I ask the Minister of Finance whether he considers it not to be in the public interest to refer the report of the governor of the Bank of Canada to the banking and commerce committee of this house.

Those were the words of the Leader of the Opposition, "does the minister not consider it in the public interest;" and I will read the reply of the Minister of Finance, this little man who, as I said, carried across his shoulders the symbol of the rights of a free parliament and a free people. This is what he said when speaking to this parliament made up of the elected representatives of the people:

> Mr. Speaker, this is the third time this question has been asked in the house this afternoon.

We all remember how he seemed fatigued, how irritated he was when he began this soliloquy.

> I repeat the answer I gave to the question when it was asked the first time by the hon. member for Essex East, and I simply add to that answer the observation that I think will be generally

shared by all hon. members of the house and the public, namely that hon. members opposite, in either examination or cross-examination of the governor of the bank, could not do half as good a job as the senators did.

Now, Mr. Speaker, that may or may not be the case. What I am saying to the Minister of Finance is that he preferred to allow the other place in parliament, made up of ladies and gentlemen who are not elected by the people, to have the opportunity of examining a report which he denies to the elected representatives of the people in this house.

Mr. Fleming (Eglinton): Rot and drivel.

Mr. Martin (Essex East): No display of histrionics on the part of my friend the Minister of Finance will justify that course or will justify the refusal by him, in the name of the government, to refer this report to the banking and commerce committee or to any other appropriate committee of this house.

This is not the whole story, Mr. Speaker. On March 21, 1961, as recorded at page 3171 of *Hansard*, the Leader of the Opposition asked this question:

Mr. Speaker, in view of the great interest that has been aroused by statements of the governor of the Bank of Canada I should like to ask the Prime Minister whether he can see any reason why the governor should not be asked to appear before the banking and commerce committee which is now in session.

The Prime Minister replied as follows:

Mr. Speaker, questions like that are for the determination of the appropriate committee and decision by such committee.

Compare that answer with the statement of the Minister of Finance that he could see no good reason why, in the public interest, that particular course should be followed.

Then, I followed with this question:

I should like to ask a supplementary question of the Minister of Finance. In the event that the banking and commerce committee should decide to summon the governor of the bank, would the Minister of Finance, because of his relationship with the governor, provide any obstacle to acceptance on the part of the governor?

The Minister of Finance replied as follows:

The Minister of Finance does not create obstacles at any time in the way of doing anything that is proper—

Does the Minister of Finance say that this is an improper request? Does the Minister of Finance say that a request by the Liberal opposition in this house, supported by the other opposition group in this house, for an examination of this report by the banking and commerce committee is improper? If he does, let him say so right now. I dare the Minister of Finance to say that it is not in the interests of good government to examine the report of the governor of the Bank of Canada. The Prime Minister continues to laugh. The Prime Minister by that laugh indicates the real character of his bill of rights in so far as his sponsorship is concerned.

Mr. Harkness: We are laughing at your histrionics.

Mr. Martin (Essex East): The Prime Minister's synthetic interest in parliament is now apparent. If he believes in the rights of parliament, let him now, as leader of the government, get up and say, "Of course, it is a proper thing for a report of this kind to be sent to the banking and commerce committee." Let the Prime Minister take that course. If he sits silently in his seat, we can only judge him as having used this other instrument not for the purpose really intended by enactment but for the purpose of seeking to give to the Canadian people an impression which is not justified under the circumstances.

Then, on December 8, 1960, we have the Minister of Finance intervening in a speech by the hon. member for Assiniboia (Mr. Argue), as reported at page 610 of *Hansard*. The hon. member for Assiniboia said:

Since the whole question of central bank policy has been raised by those economists, would it be the intention of the government to refer the annual report of the Bank of Canada to the banking and commerce committee so that we could hear witnesses on this whole question, including the governor?

I would ask you, Mr. Speaker, to listen to these words of wisdom by the Minister of Finance and contrast them with some of the earlier observations he made:

Mr. Speaker, if and when suitable committees of the house are appointed for the purpose and after the receipt of the annual report of the governor, I presume then it would be a matter for decision on the part of the house. The annual report of the governor normally reaches the Minister of Finance in late March.

In the light of the statement which was made during a speech of a member of the party sitting immediately to Mr. Speaker's left, I say to the Minister of Finance that there is now a strong demand in this house by those who confront the government for the right to examine the governor and to examine his report and that, in the face of this statement made by the Minister of Finance on December 8, the government can take no other course but to accede to our request.

An hon. Member: Did you ever do that?

Mr. Martin (Essex East): We were never asked under these circumstances, but I will say this to my hon. friend. When a demand was made in this house—I think it was in 1956—for the right of the banking and commerce committee to examine the governor

of the bank, that examination took place. The governor of the Bank of Canada appeared before the banking and commerce committee and he was interrogated by the present Minister of Finance, the hon. member for Greenwood (Mr. Macdonnell) and others without any attempt on the part of the administration to restrict the governor of the Bank of Canada in the discharge of what under the laws passed by this house is his clear, legal responsibility. Not only the present governor of the Bank of Canada but Governor Towers appeared before parliamentary committees as a result of the initiative taken by the government of the day. Yet, although there is greater provocation now than there was then because of the position taken by the governor with regard to the solution of our problems, this government refuses to enable us to get over certain procedural hurdles so that this matter can be referred to the banking and commerce committee.

Because there is no opportunity of correcting our procedures and because there is no way by which a private member of this house, unaided by the government, can deal with procedural effectiveness in this regard, one has no other alternative but to rise as I am doing tonight in order to express this grievance. Having in mind what this report contains and having in mind the fact that the governor of the Bank of Canada says he has the solution to the problem of unemployment, I would suggest that there is no greater responsibility presented to us with regard to domestic problems this session than that which is involved in this particular matter.

How can the Minister of Finance take the position that he will not facilitate the members of this house to examine this report? What reason does he give? He says, "I see no advantage". He may not see any advantage. He and the governor of the Bank of Canada have obviously had their differences. I can understand his saying that he cannot see any advantage. However, in the public interest there may be a great advantage because from the governor of the Bank of Canada we may ascertain the details of the kinds of solutions which in general terms he has been expounding throughout the country and indeed which he repeats in this annual report.

It may be that in the examination of these details we shall find that the governor of the Bank of Canada has laid before the government these very details; and that will afford the government an opportunity of explaining, if that is the case, why it has not accepted the proposals of the governor of the Bank of Canada. At any rate, parliament will then not be denied the opportunity of examining carefully a document which it is not only its right to examine but which, under the Bank of Canada Act, section 20, it is its duty to examine.

If the governor of the Bank of Canada is responsible only to parliament for monetary policy, then surely the Minister of Finance cannot take the position he takes. I referred to section 20 of the Bank of Canada Act; I meant section 18 in which the business and the powers of the bank are set out clearly. The Minister of Finance says those powers are given by parliament not to the government but to the governor of the Bank of Canada. The governor of the Bank of Canada, pursuant to that act, makes his report. Yet this government denies us the right which was open to another place to determine the details of this report.

Mr. Jones: I wonder whether the hon. member would inform the house as to his precise position? Is his position that he does not know whether or not he agrees with the governor of the Bank of Canada?

Mr. Martin (Essex East): Mr. Speaker, if there is any other supplementary reason needed for calling the governor of the Bank of Canada before a parliamentary committee, it is to educate such hon. gentlemen as the one who has just put such a question.

Mr. Jones: Mr. Speaker,—

Some hon. Members: Sit down.

Mr. Jones: Mr. Speaker, I should like to ask a question.

Mr. Speaker: Order. Unless the hon. member who has the floor yields it, the hon. member may not ask a question.

Mr. Martin (Essex East): I wish to incorporate as part of my statements a comment made in the Montreal *Star* relating to this very matter. I refer to an editorial on May 1 in which the editor of the paper states as follows:

> Why, then, would his appearance before this committee be unwise? If Mr. Coyne is free to discuss his theories before clubs and groups across Canada, why should he not be free to discuss them before M.P.'s whose job it is to inquire into major topics of public interest? On the surface at least, the government did not try to restrain Mr. Coyne from his public speech making;—why lower the boom now,—

Mr. Speaker: Order. The first part of the quotation seemed to have no reference to acts within this chamber; but as the editorial goes on, it appears that it is reflecting on acts of the government as expressed in this chamber and I would therefore ask the hon. member to refrain from reading further from it.

Mr. Martin (Essex East): On a point of order may I say this. I was incorporating it as my own opinion. However, that is not the

point. The point is that this editorial, as I have indicated, expresses a view that the government—

Mr. Speaker: Order. I hear the banging of a desk cover. Is the hon. member having difficulty with his desk?

Mr. Brunsden: Mr. Speaker,—

Mr. Speaker: Is the hon. member raising a point of order?

Mr. Brunsden: Yes; I am raising a point of order. I was trying to draw from the hon. member for Essex East a little while ago a declaration as to whether he was endorsing the viewpoint of the governor of the Bank of Canada.

An hon. Member: That is not a point of order.

Mr. Speaker: If the hon. member has a point of order, will he please state it?

Mr. Denis: He has no point of order.

Mr. Martin (Essex East): I have no objection, Mr. Speaker, to efforts made by those who support the government to prevent an exposition—

An hon. Member: An exhibition.

Mr. Martin (Essex East): —of what I believe will be regarded by those who examine this situation to be on the part of the government a violation not only of the rights of parliament but of the Bank of Canada Act. The responsibility for this course will rest on the government and it will be a responsibility which the Minister of Finance alone will not have to bear. In a country where one of the government's chief functionaries takes the position, as does the governor of the Bank of Canada, that there are solutions to this most serious domestic problem of unemployment, it is shameful that parliament made up of the elected representatives of the people should be denied the opportunity of ascertaining the validity of the submissions which he makes.

We have been denied that opportunity until now. I ask the government to give us that opportunity. If they refuse, then they will stand indicted once more as thwarting positive efforts to try and deal with this serious problem of unemployment.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, in my few brief remarks this evening following the hon. member for Essex East (Mr. Martin) I should just like to point out one thing. I do not believe the hon. member who has just spoken would recognize sincerity if he saw it, because if there is one thing the Canadian people realize today it is this, that no government in the history of this country has had a greater respect for the rights of parliament than this one.

Mr. Pearson: I have seen no advantage.

Mr. Grafftey: The hon. member likes to pretend that we have a big, massive, rolling majority. It so happens—as we all realize—that the vote of the Canadian people has placed us here. Certainly the people in my constituency in particular, and I know the people in this country in general, realize that no government has recognized more than this one what are the real rights of parliament. So no sham speech and no sham remarks such as we have heard tonight will convince me, other hon. members of this house or the people of this country, otherwise.

The second comment I should like to make is this. The hon. member for Essex East made a very interesting statement. He said that if the governor of the Bank of Canada were brought before a committee he would do just this; he would ask him specifics, all kinds of specifics. Did the hon. member not read a few of the reports of the meeting of the committee of the other place which occurred a few days ago, when hon. gentlemen of the other place asked the governor of the Bank of Canada persistently for specifics, and these were exactly what the governor of the Bank of Canada said he could not give?

As governor of the Bank of Canada he said he would not, could not and would never, at any time, I should imagine, whether it were in front of a committee of this house or before the public at large, enter into the arena of specific government policy.

I can just see what would happen if the hon. member for Essex East got the governor before such a committee—

Mr. Pickersgill: Why not let us find out?

Mr. Grafftey: —because I was a member of the labour relations committee when the hon. member for Essex East badgered the governor of the Bank of Canada in an unseemly manner to try to drag him into the arena of partisan politics.

Mr. Benidickson: Before $60 million of capital losses were established.

Mr. Grafftey: Time and time again the hon. member for Essex East tried to drag the governor of the Bank of Canada, when he was appearing before the labour relations committee, into the narrow arena of partisan politics. He simply was not successful, and everybody who sat on that committee saw this disgraceful performance.

I suggest the hon. member has already served notice to parliament and to the people of this country as to exactly what he would

do if the governor came before such a committee. The hon. member would draw him once again into the arena of narrow partisan politics. Specifics would be asked for, when we have been told they cannot be asked for. I think this is a logical answer to what the hon. member for Essex East seeks.

I should also like to say this. I think all hon. members of this house and the people at large should note well one statement made by the hon. member for Essex East, who said he was speaking for his party at large. The hon. member said, and perhaps I agree with him, that the government is responsible for the policy and the acts of all emanations of the crown. This is a very interesting statement made by the hon. member for Essex East and it is one I think it would be well for us to remember in future debates on other aspects of government policy.

I can only say this. The rights of parliament are being adhered to by this government and I think all hon. members of this house realize that the governor of the Bank of Canada cannot be dragged into partisan, political debate where specifics which cannot be asked would be requested. I think this is where the test of sincerity lies.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to begin by assuring the minister that I have no intention of denying him adequate time to reply to the particular grievance that has been raised. However, I must rise to support the grievance raised by the latest candidate for the new party leadership, namely the hon. member for Essex East (Mr. Martin). I consider it—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Would the hon. member permit me to point out—

An hon. Member: Don't be hasty.

Mr. Martin (Essex East): —that the Liberal party is indeed the "new" party.

Mr. Regier: I know that the hon. member who raised the objection is not referring to the Liberal party of the past. However, as I indicated earlier, I consider it an insult to the sovereignty of parliament when the man who is the governor of the Bank of Canada is denied the opportunity to meet with a committee of this parliament and yet has to appear before a committee of the other place. The other place, as has already been pointed out, consists of appointed people and it is not representative of the Canadian people in that its members have not been elected by the Canadian people.

To me the money supply of a country is almost identical to the blood supply in our bodies. If the bloodstream is inadequate or is diseased there is very little that can be done until this has been remedied. There is a feeling all over Canada that present monetary policy is not meeting the needs of the nation. I believe it is high time the operations of the Bank of Canada were subjected to a review by the banking and commerce committee or a specially appointed committee of this house, if the government so desires. This committee should have the chance to examine the opinions of the officials of the Bank of Canada and their reports.

The hon. member for Brome-Missisquoi (Mr. Grafftey) attempted to make a great point of the fact that the governor of the Bank of Canada is unable or would refuse to answer specific questions. I cannot buy that argument at all, because the governor of the Bank of Canada is an employee of the people of Canada and he is accountable for all his actions to the elected representatives of the people of Canada.

I should like to know what is the hidden mystery that must remain hidden at all costs at this time; why this government should refuse to reveal to the public and to the representatives of the public exactly what is happening in the field of monetary policy.

We have been told so many times by the Minister of Finance (Mr. Fleming) that he is not responsible for the activities of the Bank of Canada. I deny that assertion of his; I deny it most vehemently, because the Minister of Finance, according to the terms of the Bank of Canada Act, is the sole owner of the Bank of Canada on behalf of the people of Canada. The Minister of Finance is certainly responsible for each and every activity of the Bank of Canada. However, even assuming that the minister's assumption was adequate and accurate and that the Bank of Canada is responsible not to the government but to parliament, in the same breath the minister by his actions is denying the right of parliament to examine this organization which, he claims, is responsible to parliament. I should like to ask the hon. gentleman in what way is the Bank of Canada responsible to parliament if parliament is denied the right to examine its operations? Is this bank to operate in a vacuum, in a world of its own? It is not responsible to him, he claims, and at the same time he refuses to allow it to become the responsibility of parliament.

I should like to meet with officials of the bank in the banking and commerce committee. I should like to hear their report and their opinions with regard to exactly what happened in connection with the bond conversion deal, a deal which was primarily responsable for increasing interest rates on

all public indebtedness in Canada by over 2 per cent since this government took office. I should like to have the opinion of the management of the Bank of Canada in this regard. It must be remembered that an increase of 2 per cent is not a small matter; it is not a consideration to be lightly dismissed. Assuming an indebtedness on the part of public bodies of $20 million a year, an increase of 2 per cent means an added burden of $400,000 to the taxpayers of Canada. Assuming, further that over-all indebtedness in Canada including that of government runs to approximately $200 million, an increase of 2 per cent adds a burden to our cost of production and to our consumer prices of over $4 million a year. I should like to have the opportunity to ask the authorities of the Bank of Canada whether or not this bond conversion deal was really urgent and necessary at the time it was undertaken.

We now have another proposal offered by the government, namely the proposal that the government ought to dump on the money market $750 million worth of mortgage paper that it owns. If this has to be discounted at 10 per cent in order to make it marketable it may mean a loss to the Canadian taxpayer of $75 million. I should like to ask the opinion of the governor of the Bank of Canada as to what the effect might be of the government unloading on to the money market $750 million worth of securities. I should also like to ask the governor of the Bank of Canada what he thinks of a reported claim on the part of the Prime Minister (Mr. Diefenbaker) as appears in the *Globe and Mail* of Monday last—

Mr. Speaker: Order. The hon. member has departed from the grievance. The grievance has nothing to do with reported claims.

Mr. Regier: I was only attempting to support the grievance and to express my opinion as to why we ought to be able to interview the governor of the Bank of Canada. I meant to read out a statement which was made last weekend by the Prime Minister having to do with monetary policy. I was about to place that on the record and show why I would welcome the opinion of the governor of the bank with respect to it.

Mr. Speaker: The hon. member may illustrate his reasons for thinking that the governor of the bank should be brought before a committee of the house for examination but he is not at liberty to go into all the matters that might be raised during an examination. If we allowed all those matters to be debated there would be no limit to the grievance. The grievance is a narrow and succinct matter and the hon. member must confine himself to it.

Mr. Regier: I must accept your ruling, Mr. Speaker, and I will gladly do so though I have never heard before of our being denied the right to give reasons as to why we support an argument.

Money supply in a nation is similar to the blood supply in a human body. We do not know on any real authority whether this country can afford a further expansion of the money supply. We are being denied expert knowledge in relation to this important subject. We are being denied information as to whether or not anti-inflation measures would have to accompany any expansion of the monetary supply. We have no access to guidance as to what those measures might be and which measures would be advisable. We seem to be following a policy which, I believe, has proved to be a complete failure, namely, that a nation is able to borrow itself into eternal prosperity. This, in my books, does not add up.

I know we have lived on this particular theory ever since 1945 but I contend that no nation is able to create money by using its printing presses; money which is, therefore, worthless and inflationary. I also contend that no nation can continue to borrow itself into prosperity forever, because eventually the day of reckoning comes. I believe the government of the day may be somewhat unfortunate in that it happens to be in office at the present time when the day of reckoning is arriving at long last. I should like to have the Bank of Canada tell us whether it considers that it is inadequate to handle its basic assignment unless it is also given complete authority over credit sales as well as over currency. I should also like to ask whether in its opinion the insurance and investment houses of Canada ought not to be brought under the broad jurisdiction of the bank along with the chartered banks.

Hon. Donald M. Fleming (Minister of Finance): The hon. member for Essex East (Mr. Martin) has regaled us this evening—I think that is the word—by one of his champion matinee performances. This kind of performance, on first hearing, is very impressive. The second time it is moderately impressive. The third time, less impressive; the fourth time, still less impressive, the fifth time unimpressive, the sixth and succeeding times a little difficult to listen to by reason of infinite repetition. The hon. member should vary his act a little once in a while, give a little fresh flavour to it. It would make his performance a little more interesting, if I might make that suggestion to him. The typical mood in this burlesque performance is that of synthetic indignation.

Bank of Canada Report

Mr. Speaker, you will remember the story from the public school reader of years ago about the boy who cried wolf, wolf, wolf so often that the people ceased to pay any attention to him. I think the hon. member for Essex East has long since passed that position. As a matter of fact, as a demonstration of synthetic indignation, as an attempt to whip up an issue where he well knows there is no justification for an issue or for the attacks he has made, one can say his performance tonight was of the ersatz variety.

It is interesting also that the hon. member for Essex East, apart from being the opposition critic on numerous matters such as health and welfare and—

Mr. Brunsden: Agriculture.

Mr. Fleming (Eglinton): —and agriculture, has now evidently taken the position of opposition critic on monetary policy.

Mr. Pickersgill: Mr. Speaker, I rise on a point of order.

Some hon. Members: Sit down.

Mr. Pickersgill: Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order. I recognize the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

Mr. Pickersgill: Mr. Speaker, I think that the hon. gentleman is raising a new grievance. There are other members who wish to speak on the grievance raised by the hon. member for Essex East, but apparently the grievance of the hon. gentleman, who is speaking now, has regard to the conduct of the hon. member for Essex East, and while many of us would find that subject very entertaining to speak on—

Some hon. Members: Hear, hear.

Mr. Pickersgill: —I suggest that the ordinary rules of the house should apply to the Minister of Finance (Mr. Fleming) as they are applied to other hon. members of the house, and that the minister should either speak on the grievance raised by the hon. member for Essex East or give the floor to someone who may wish to do so.

Mr. Speaker: A certain number of personal references are a part of debate, but if they are prolonged they would, of course, amount to another grievance.

Mr. Fleming (Eglinton): Mr. Speaker, so far as the point of order is concerned, obviously it is ersatz too. I might say, concerning the point raised by the hon. member for Bonavista-Twillingate, that he knew very well when I started to speak I was left only nine minutes by the previous speakers and he is obviously now trying to use up some of those nine minutes by raising this point of order.

Mr. Pearson: Why do you not refer to the subject?

Mr. Fleming (Eglinton): Mr. Speaker, there was a time when—

Mr. Pearson: Why do you not refrain from discussing personalities?

Mr. Fleming (Eglinton): There was a time when the expression "procrastination is the thief of time" meant something, but that, of course, was before the days of the hon. member for Bonavista-Twillingate.

Mr. Pearson: You have four minutes left, why do you not use them?

Mr. Pickersgill: Why do you not refer to the Bank of Canada report?

Mr. Fleming (Eglinton): Mr. Speaker, the annual report of the governor of the Bank of Canada was referred to the standing committee on banking commerce once, and that was in the year 1956. There was a very good reason at that time why that report was so referred. There had been a great deal of discussion on the subject of monetary policy—

Mr. Pickersgill: There has been none, of course, this year.

Mr. Fleming (Eglinton): —which apparently influenced the minister of finance of that time after some discussion of a general nature that preceded the introduction, not at the time of introducing the motion—to bring in a motion, on his own account, to have that report referred to the standing committee on banking and commerce for study and report.

Mr. Benidickson: Yes, because the hon. member for Greenwood (Mr. Macdonnell) asked for it.

Mr. Fleming (Eglinton): Yes, there had been some discussion some time before, and the minister of finance at that time was very unhappy about what had been said to him apparently, and he brought in a motion to have that report referred to that particular committee. That is the one occasion on which this was done.

Mr. Pearson: It was done the year before.

Mr. Fleming (Eglinton): That was the one occasion when the report of the governor of the Bank of Canada was referred to a parliamentary committee.

Mr. Pearson: It was apparently done the year before.

Mr. Fleming (Eglinton): On other occasions, Mr. Speaker—

Mr. Pearson: Mr. Speaker, on a point of order, the Minister of Finance has just made a statement which is incorrect, because the governor of the Bank of Canada on that occasion in 1956 began his evidence by saying that it was a pleasure for him to be back with them again, meaning the members of the committee.

Mr. Speaker: Order.

Mr. Fleming (Eglinton): Mr. Speaker, any honest person who reads the evidence of that occasion will realize that what the governor was referring to was an appearance, not in connection with the reference of the annual report to that committee, but in respect of an entirely different matter. He has appeared before committees before, but only on one occasion following a reference of the governor's report to that committee.

The position taken here is perfectly clear. Hon. members of the opposition are trying to disclaim any responsibility with respect to the contents of the report—

Some hon. Members: Oh, oh.

Mr. Fleming (Eglinton): They do not want to have any responsibility for the contents of that report of the governor, but want that responsibility to be accepted by—

Mr. Pickersgill: Mr. Speaker, may I ask the minister if he accepts responsibility for—

Mr. Fleming (Eglinton): No, sit down. They are asking the government to take the responsibility for having this report referred to the committee, and the minute that is done they—

Mr. Pearson: Does the government not accept any responsibility in regard—

Mr. Fleming (Eglinton): Mr. Speaker, you know perfectly well that they would be very quick to claim that the responsibility for the statements made in the annual report of the governor of the Bank of Canada was that of the government.

Mr. Speaker: Order. If there is a matter of contradiction it should be referred to at the end of the hon. minister's statement.

Mr. Pearson: Mr. Speaker, on a point of order. The minister has referred to—

Mr. Speaker: Order.

Mr. Fleming (Eglinton): This is an attempt to steal more of my time.

Mr. Pearson: Mr. Speaker, on a point of order.

An hon. Member: It is ten o'clock.

Mr. Fleming (Eglinton): This is an attempt to steal my time, and surely that is against the rules of this house.

Mr. Pearson: Mr. Speaker, my point of order is that the Minister of Finance has misrepresented the position of the opposition regarding this matter.

Mr. Speaker: Order. This is a matter of personal explanation which can more appropriately be made when the minister has completed his statement.

Mr. Fleming (Eglinton): Mr. Speaker, I suggest that what has taken place here is an attempt to create the impression in the mind of the public that the government is responsible for the opinions expressed by the governor of the Bank of Canada in this report, but I want to state again—

Mr. Pickersgill: Mr. Speaker, I rise on a question of privilege.

An hon. Member: Sit down.

Mr. Fleming (Eglinton): —that the government does not take the responsibility for these expressions of opinion by the governor of the Bank of Canada as contained in the annual report.

Mr. Pickersgill: Mr. Chairman, I rise on a question of privilege.

Mr. Speaker: Order.

Mr. Pickersgill: I am rising on a question of privilege.

Mr. Speaker: Order.

Mr. Pickersgill: Mr. Speaker, I am rising on a question of privilege.

Mr. Nowlan: Order; the Speaker is on his feet. Sit down.

Mr. Speaker: Order. There will be neither speech or privilege, as it is ten o'clock.

Mr. Fleming (Eglinton): Mr. Speaker am I to have my time stolen from me this way?

Mr. Pickersgill: It is ten o'clock.

Mr. Speaker: Order.

Mr. Fleming (Eglinton): What a shameful performance.

Mr. Speaker: It being ten o'clock it is my duty, pursuant to section 3 (f) of standing order 56 as provisionally amended, to interrupt these proceedings and forthwith put the question on the motion now before the house.

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

The estimates of the following departments were first taken up and entered for consideration.

DEPARTMENT OF FORESTRY

152. Departmental administration, $1,090,452.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

Departmental administration—

202. Administration, operation and maintenance, $1,087,947.

DEPARTMENT OF SECRETARY OF STATE

387. Departmental administration, $332,439.

Proceedings reported.

BUSINESS OF THE HOUSE

Mr. Kucherepa: Mr. Speaker, will the acting house leader indicate the order of business for tomorrow?

Mr. Nowlan: Mr. Speaker, in view of what has taken place during the past 15 minutes I do not think there is any point in indicating the business for tomorrow because it will undoubtedly be disrupted.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Martin (Essex East): That is a shameful statement. The minister is replying to one of his own party members.

Mr. Speaker: Order.

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

APPENDIX

REPORT OF FOURTH MEETING OF CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

General

A further meeting of the Canada-United States interparliamentary group was held in Ottawa and Quebec city from Wednesday, February 22, to Sunday, February 26, inclusive.

This was the fourth meeting of the group which continued its procedures of having informal, off the record discussions and refrained from making recommendations, leaving it to each national delegation to make such reports and recommendations to its respective legislatures as it determines.

The group met in plenary sessions on Thursday morning and Friday afternoon. Committee meetings were held on both days. Committees discussed the following subject areas:

(1) Defence co-operation and disarmament;
(2) Trade and economic matters; and
(3) Boundary matters, cultural affairs and foreign policy matters of common concern.

At the first plenary session, the Secretary of State for External Affairs, Hon. Howard Green, gave a brief address of welcome. Later in the day the United States delegates visited both houses of parliament and were welcomed in the House of Commons by addresses given by the Prime Minister, Right Hon. John G. Diefenbaker, the Leader of the Opposition, Hon. Lester B. Pearson and the C.C.F. leader, Mr. Hazen Argue, and in the Senate by the Speaker and honourable Senators Walter M. Aseltine, W. Ross Macdonald and others. At a lunch on Friday, given by the Speaker of the House of Commons in historic room 16 in the parliament buildings, the Prime Minister, Hon. Lionel Chevrier, Senator George Aiken and Representative Cornelius E. Gallagher spoke at a ceremony to dedicate a plaque to be installed there in commemoration of the first formal meeting of Canadian and United States parliamentarians in that same room in 1943. On Friday evening the government of Canada gave a dinner for the group in the parliamentary restaurant to which all members of the Senate and House of Commons were invited. In addition, there was a lunch for the delegates given by the Speaker of the Senate and a program of lunches, receptions and tours for the wives.

On Saturday and Sunday the group visited Quebec city to see something of winter life in la belle province. The weatherman was more than co-operative. He let loose an unusually severe blizzard which disrupted all transportation and delayed the return of the delegations to their capitals until Monday.

Committee discussions

The discussion in the committees, the personnel of which is shown in Appendix A, was frank and animated, but was always carried on with complete good humour and respect for divergent views. Some differences were reconciled, others were explained and modified in the course of exchange of information and opinion. There was nothing to limit discussion other than time itself, and most of the important problems which could be said to disturb our neighbourly co-operation came up for attention. The scope of these discussions in the committees is indicated by the reports which are set out in Appendix B, in the form in which they were approved at the final plenary session and released in a joint press statement on February 24th.

Conclusions

All delegates appeared to be well satisfied with this latest interparliamentary exchange and convinced of the usefulness of this approach to joint problems and differences as well as of the soundness of the decision that two meetings of the group should be held annually, one in each country. The hope was expressed that the second meeting in 1961 could be held in Washington during the present session of congress.

It is noteworthy that in the first four meetings the change in personnel of the delegations has been such that no less than 52 members of congress and 55 members of the Canadian parliament have already participated.

The wives of most of the delegates have accompanied them. It has been well said that this more than doubles the effectiveness of the exchange in the promotion of good will and understanding.

In submitting this report we wish to express our appreciation of the co-operation and assistance of officials of the various departments of the Canadian government who have helped us with the organization of the meetings and in our preparation for the discussions.

Dated at Ottawa, May 2nd, 1961.

Mark Drouin	Roland Michener
Speaker of the Senate	Speaker of the House of Commons

Joint Chairmen.

APPENDIX A

PERSONNEL OF DELEGATIONS

The delegates, arranged according to the committees on which they served, were the following:

COMMITTEE I—Defence co-operation and disarmament

United States delegation	*Canadian delegation*
Senator Thomas J. Dodd (co-chairman) (D)	Hon. Mark Drouin (chairman)
Representative Wm. S. Broomfield (co-chairman) (R)	Senator P. H. Bouffard (L)
Senator J. Caleb Boggs (R)	Mr. Egan Chambers (P.C.)
Senator Hiram Fong (R)	Mr. H. M. Batten (L)
Representative Harold D. Donohue (D)	Mr. John B. Hamilton (P.C.)
Representative Philip J. Philbin (D)	Mr. James McGrath (P.C.)
Representative Samuel S. Stratton (D)	Mr. R. Bourdages (P.C.)
	Mr. John MacLean (P.C.)

COMMITTEE II—Trade and economic matters

United States delegation	*Canadian delegation*
Senator Ralph W. Yarborough (co-chairman) (D)	Hon. Roland Michener (chairman)
Representative Edna F. Kelly (co-chairman) (D)	Senator Norman Lambert (L)
Senator B. Everett Jordan (D)	Senator W. R. Brunt (P.C.)
Senator Vance Hartke (D)	Mr. J. Pallett (P.C.)
Representative Thaddeus J. Dulski (D)	Mr. G. J. McIlraith (L)
Representative Glenn C. Cunningham (R)	Mr. K. H. More (P.C.)
Representative James Harvey (R)	Mr. Jean-Paul Racine (L)
	Mr. E. M. Woolliams (P.C.)

COMMITTEE III—Boundary matters, cultural affairs and foreign policy

United States delegation	*Canadian delegation*
Senator George D. Aiken (co-chairman) (R)	Hon. Paul Martin (chairman) (L)
Representative Cornelius E. Gallagher (co-chairman) (D)	Senator S. J. Smith (L)
	Senator (Mrs.) J. D. Quart (P.C.)
Senator Lee Metcalfe (D)	Mr. Paul Martineau (P.C.)
Senator Gordon Allott (R)	Mr. A. Denis (L)
Representative William T. Murphy (D)	Mr. H. W. Herridge (C.C.F.)
Representative Laurence Curtis (R)	Mr. William Payne (P.C.)
Representative Stanley R. Tupper (R)	Mr. G. J. Valade (P.C.)

APPENDIX B

REPORTS OF COMMITTEES

Committee I—Defence Co-operation and Disarmament

The committee on defence co-operation and disarmament considers that there is need for early progress in the development of a comprehensive and carefully verified system of disarmament. The committee has examined the many political and technical difficulties which must be resolved before any reduction in armaments can be achieved. Pending satisfactory progress in this direction the free world has no alternative but to assume a defence posture capable of meeting Soviet aggression whatever its character and scale. In the view of the committee it is important to recognize that the communist threat is aimed at every single part of the free world and that our continued unity is essential if it is to be countered.

The committee has discussed the collective arrangements for defence in which both countries participate. It considers that NATO and NORAD are among the principal bulwarks upon which rest the security of the United States and Canada, and the other nations of the free world. It is vital that these associations be kept strong and viable in a period when the character of the threat is changing rapidly. With respect to NORAD it considers that the development of alternative weapons systems in no way diminishes its importance. Continuing attention is necessary to ensure its adequacy in order to counter improved enemy weapons capability.

The committee believes that the maintenance of a strong industrial base in Canada is essential to North American defence. The committee notes that since its last meeting there has been real progress in advancing the Canada-United States defence production sharing program. The necessary policies and procedures have been established to provide a more equitable climate of opportunity for Canadian defence industry to participate with the United States in defence development and production. In 1959 these arrangements resulted in United States contracts in Canada of $96.3 million; in 1960 the figure was $112.7 million. On the other hand, Canadian production sharing contracts placed in the United States in 1959 amounted to $108.2 million and in 1960 increased to $196.3 million. Therefore it is recognized that there is continuing need to sustain the Canadian portion of the common defence production base through increased U.S. defence procurement in Canada. In this connection the committee observes that the long term prospects for defence production sharing would be greatly enhanced by Canadian participation in the U.S. military research and development program. Some progress has been made in this direction; further efforts in this field should be expanded. The committee agrees that continuing efforts should be made both by government and by industry in the two countries to encourage broader public understanding of the interdependent character of the common defence effort in its economic as well as its military aspects.

Committee II—Trade and Economic Matters

Trading with communist countries

The committee discussed the effects of trade with communist countries. It was pointed out that this trade might strengthen the communist economies and thereby contribute to the expansion of Soviet political influence; on the other hand, trade might keep peaceful channels open between the Soviet bloc and the west. The committee noted that Canada and the United States trade with the Soviet bloc did not loom large in their total foreign trade and that both countries traded with the bloc within the framework agreed between NATO countries. The Canadian delegation referred to the possible problem raised for Canadian subsidiaries of United States companies by the application to their trade of the United States foreign assets control regulations.

Cuban trade

With respect to trade with Cuba, the United States delegation explained that the concern expressed in the United States was a reflection of the serious view the United States had taken of the threat posed for the western hemisphere by the communist orientation of the Cuban revolution. The relatively minor value and total North American trade with Cuba was considered as well as the declared policy of preventing the bootlegging of United States goods to Cuba.

Marketing of agricultural products on a subsidized or non-subsidized basis

The committee noted the increase of productivity in the agricultural field and the desirability of pursuing domestic agricultural policies which would take into account the existence of surpluses and marketing problems. The Canadian delegation emphasized the importance of wheat exports for Canada and recalled that sales of United States agricultural commodities on special terms could disrupt and impair the growth of commercial markets for Canadian wheat abroad. In this connection the Canadian delegation expressed appreciation of the United States government's willingness to consult with Canada and to consider Canadian commercial interests. Both delegations referred to existing or possible restrictions on agricultural trade between Canada and the United States and more particularly on cheddar cheese and edible oils. They expressed the hope that these restrictions will be kept to a minimum and that trade will be rationalized between their two countries.

Oil import policies

The committee agreed on the need to maintain the oil industries of both countries in a healthy state in the face of production, exploration, and marketing issues which they largely share in common. The greatest importance was attached by the Canadian delegation to the continued access for Canadian crude oil to expanding United States markets particularly in the United States northwest. The two delegations recognized that policies pursued in each country could raise serious national and international issues for the other and agreed that Canada and the United States should work closely together in seeking rational solutions to the problems of oil production and trade.

United States investment in Canada and reciprocal tax agreement

The committee considered the changes in reciprocal tax treaties and other tax changes now before the Canadian parliament. It was stressed by Canadians that these were not designed to restrict the free movements of capital across the border nor to discourage future foreign investment but to correct adverse trade balances and to encourage greater participation by Canadian capital in Canadian growth. The advantages of dollar parity were also in mind.

Other opinions were advanced, however, that the changes might discourage American investment and restrict Canada's presently expanding economy by denying it ready money.

In any event it was agreed that reciprocal investment across the border on equal terms should be promoted at all times and should be the goal of both countries.

Committee III—Boundary Matters, Cultural Relations and Foreign Policy

1. Richelieu-Champlain waterway

The committee considered the background of the Richelieu-Champlain waterway, the facilities now available, the use which is made of it and its potential. It was agreed that it might be desirable for both countries to join in studies on the improvement of transportation, especially water routes, between United States and Canada. Mention was also made by the United States delegation that the international joint commission might be willing to undertake a study specifically related to the Hudson-Champlain waterway.

2. Niagara power

The United States delegation pointed out that electric power being generated in the United States at Niagara was being transmitted across Canadian territory for a short distance to Massena, New York. Under Canadian law, this power was taxed to the extent of three tenths mill per kilowatt. It was understood that, under Canadian law, the tax was designed to apply to power generated in Canada and not to power transmitted over Canadian territory. It was therefore agreed that this matter might well be the subject of discussions between appropriate authorities of the two countries.

3. Chicago diversion

In response to an enquiry from the Canadian delegation, the United States delegation explained that three separate diversion bills have been submitted to the House of Representatives. Further, the United States delegation expressed the view that it was much too early to predict how far these proposals might proceed in congress. The Canadian delegation pointed out, that as in the past, any further diversion at Chicago was a matter of serious concern to Canada.

4. Tourist trade

The Canadian delegation expressed some concern at the recent suggestion placed before congress that congress might consider reducing the United States' tourists' duty free entry privileges from $500 to $100. After discussion, it was understood by the committee that this idea was designed to alleviate world wide United States balances of payment difficulties

and was not directed at Canada. The committee agreed that if the duty free entry allowance were reduced to $100, it might have an adverse effect on the tourist trade of both countries.

5. Effect of highways on tourist trade

In the context of expanding the Canada-United States tourist trade, there was some discussion concerning the need for all weather north-south highways in both countries. It was recognized by both delegations that highway construction in the United States was under the primary jurisdiction of the states and under the provinces in Canada, but it was hoped that the matter would be given further study.

6. Columbia river

The United States delegation pointed out that the Senate foreign relations committee would hold hearings on the Columbia river basin treaty commencing on March 8. The Canadian delegates expressed the view that in spite of expected controversy in Canada over the implementation of the treaty within Canada, the development of the Columbia river basin would proceed as contemplated by the treaty. Satisfaction was expressed by the delegates of both countries over the successful completion of negotiations which had led to the treaty. There was general agreement too that in the long run, electrical power generated by atomic energy would become increasingly significant.

7. Foreign affairs

The committee discussed the question of Chinese representation at the United Nations and considered the possible effects of the People's Republic of China securing the China seat. It was recognized that it was likely that this issue would confront the two countries at the United Nations in the near future.

Members exchanged views on the problems facing the west in its relations with the communist bloc and on the measures which might be pursued to ease tensions and contribute towards the development of better relations. The view was expressed that encouragement should be given to increasing contacts with the Soviet union through tourist travel and cultural exchanges. An assessment was made of the ideological conflict in the world.

The committee concluded its deliberations with a general discussion of foreign policy problems facing both countries. In this connection there was general agreement on the need to give continued support to the United Nations, to the latest United Nations resolution concerning intervention in the Congo and to the secretary general and to the course pursued by the United States in the security council during the last few days.

It was felt by the members generally that both countries should examine their policies in the non-military cold war to see whether the maximum benefit is being obtained from the resources available and whether the current level of effort is adequate.

In spite of the limited time accorded to the discussion of each item on the agenda, the committee was conscious of great progress toward the increase in friendly relations between the United States and Canada.

HOUSE OF COMMONS

Wednesday, May 10, 1961

The house met at 11 a.m.

RAILWAY ACT

AMENDMENT TO INCLUDE RAPESEED UNDER GRAIN FREIGHT RATES

Mr. Reynold Rapp (Humboldt-Melfort) moved for leave to introduce Bill No. C-90, to amend the Railway Act (rapeseed freight rates).

Some hon. Members: Explain.

Mr. Rapp: Mr. Speaker, I am delighted to explain that the purpose of this bill is to apply to rapeseed the freight rates on grain that are applicable under the Crowsnest pass agreement. Primarily, the legislative purpose of this bill is to bring this specific legal meaning of rapeseed into accord with the meaning of rapeseed as used since 1943 by the Department of Agriculture, also the board of grain commissioners, parliament in the Canada Grain Act and the grain trade, as well as by the railways themselves by the present local grain mileage freight rates.

The secondary legislative effects are (1) to apply the Crowsnest pass rates only at the commencement of the August, 1961 season, so there can be no question under section 333 (5) of the Railway Act that the tolls on past shipments of rapeseed are affected retroactively to 1943; (2) to prevent the use of this statutory definition of rapeseed in legal argument on interpretation in other cases.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the said bill be read a second time?

Some hon. Members: Now.

Mr. Speaker: Next sitting of this house.

Mr. Pearson: Why not now?

Mr. Martin (Essex East): Mr. Speaker, I think this measure is of sufficient importance to do so now. I do not know why we could not deal with it now.

Mr. Speaker: I am sorry; the rules do not permit the measure to be advanced more than one stage in one day except by unanimous consent, and the mover has not given his consent.

Mr. Rapp: I do not have a bill.

STARRED QUESTIONS

D.V.A. OFFICE, PETERBOROUGH

Question No. 288—**Mr. Pitman:**

1. Has the Department of Veterans Affairs received any request to have a D.V.A. office opened in Peterborough?
2. If so, when, and from what source did this request come?
3. Has any decision been made by the Department of Veterans Affairs?
4. If so, what has been the decision of the Department of Veterans Affairs?

Mr. H. F. Jones (Parliamentary Secretary to the Minister of Veterans Affairs): Mr. Speaker, the answers to this question are as follows:

1. There already is an office of the Department of Veterans Affairs in Peterborough.

2. On April 12 representatives of the Canadian Legion spoke to the minister.

3 and 4. The request of the Legion concerned the sending of a welfare officer to Peterborough. This matter is under consideration.

SICK MARINERS FUND

Question No. 298—**Mr. McWilliam:**

1. What is the amount presently in the sick mariners fund, and what was the amount in this fund at the end of December 1957?
2. How many persons are presently benefiting from this fund, and what was the number that received benefits for the year 1957?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, the answer to this question is as follows:

1. There is no special sick mariners fund. Any payments are made out of a vote in the estimates.

2. There were 129,934 crew members on vessels paying sick mariners dues in 1957, and 141,743 crew members in 1960. These crews were all eligible for treatment.

AIRPORTS, GLOUCESTER MUNICIPALITY AND BATHURST, N.B.

Question No. 305—**Mr. Habel:**

1. Has the municipality of Gloucester or the town of Bathurst, made an application for the establishment of an airport in either community?
2. Has the department decided to construct an airstrip in either of these communities?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the answer to parts 1 and 2 of this question is that the municipality of Gloucester and the town of Bathurst have submitted a joint resolution regarding the

establishment of an airport in the county of Gloucester, and are being informed of the policy of the department and the terms and conditions under which cost sharing assistance for this purpose might be made available by the federal government.

Should they wish to proceed, this would then be followed by direct discussions with the department regarding this matter.

AIRPORTS, RESTIGOUCHE MUNICIPALITY AND DALHOUSIE, N.B.

Question No. 306—**Mr. Habel:**

1. Has the municipality of Restigouche or the town of Dalhousie in New Brunswick, made an application to the Department of Transport for the establishment of an airport in either of these communities?

2. Has the department decided to construct an airstrip in either of these municipalities?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the answer to parts 1 and 2 of this question is that the county of Restigouche has approached the department to ascertain under what circumstances federal assistance might be provided for purposes of construction of an airport and, having learned of the department's policy with regard to cost sharing grants in this connection, it is understood that the county is now preparing more detailed cost estimates and is investigating the possibilities with a view to further discussion with the department.

SMALL BUSINESSES LOANS

Question No. 307—**Mr. Racine:**

1. Have the banks, pursuant to subsection (1) of section 19 of the Small Businesses Loans Act, reported on the loans made during the months of January, February, and March, 1961?

2. If so: (a) what is the number, and the amount of such loans for each of the said months? (b) what is the number, and the amount of such loans for each province?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the answer to part 1 of this question is yes. It will be recalled that lendings under the new Small Businesses Loans Act commenced toward the end of January.

The answer to part 2 is as follows:

2(a) January, 7 loans; $49,210.00; February, 82 loans; $444,691.25; March, 211 loans; $1,382,445.70.

(b) Information not available.

May I add, Mr. Speaker, that any minor difference between the figures I have given in answer to question 2(a) and the answer given on April 26 to question 283 may be explained with reference to a misunderstanding by two of the banks in relation to the return that was asked of them under the pressure of that time to hasten the answer to question 283, and the fact that the figures returned by three of the banks on that earlier occasion were an estimate rather than the exact figure.

The figures I have given this morning in reply to question 307 are the precise figures.

IMMIGRATION ADVERTISEMENTS ABROAD

Question No. 310—**Mr. Deschatelets:**

For each of the years 1958, 1959, 1960: (a) has the Department of Citizenship and Immigration caused advertisements to be made or published in foreign countries dealing with job opportunities in Canada? (b) if so: (i) in which countries were such advertisements made or published? (ii) what was the list of jobs offered? (iii) what was the cost of such advertisements?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, the answers to this question are as follows:

(a) Yes, only in 1959 and 1960. There is no record of any advertising of this nature being carried out by the department in 1958.

(b) (i) In the United Kingdom in 1959 and 1960.

(ii) Different lists comprising a large number of occupations were used. These are not in a form which can be given orally.

(iii) In 1959 the amount was $3,123.50; in 1960, $2,754.72.

PUBLIC SERVICE—NEW EMPLOYEES AND DISCHARGES, 1960

Question No. 311—**Mr. MacRae:**

1. How many new employees entered the civil service of Canada in 1960?

2. How many of these were entitled to veterans preference?

3. How many employees were discharged from the civil service during 1960 (a) for incompetence (b) for other reasons?

Hon. Noel Dorion (Secretary of State): The civil service commission issued 20,056 certificates of appointment during the calendar year 1960, including 1,354 covering student assistants for summer employment. This figure may be slightly in excess of the actual number of new employees, as some may have been certified more than once during the year, but it is the only available figure.

2. 2,069.

3. During the year 640 persons were dismissed for cause. "Cause" includes incompetence and abandonment of position.

FARM IMPROVEMENT LOANS, FORT WILLIAM, 1945-60

Question No. 312—**Mr. Badanai:**

What is the number of loans, under the Farm Improvement Loans Act, approved in the electoral district of Fort William during each of the years 1945 to 1960 inclusive?

Hon. Donald M. Fleming (Minister of Finance): The information is not available.

Starred Questions

PORT CREDIT, ONT.—CONSTRUCTION AND OPERATION OF DOCKS

Question No. 313—**Mr. Hellyer:**

1. What is the cost of construction of docks and related facilities at Port Credit, Ontario, from July 1, 1957, to December 31, 1960?
2. What has been the cost to the federal government of maintaining and operating the docks and allied facilities at Port Credit, Ontario, from July 1, 1957, to December 31, 1960?
3. How much cargo was unloaded at the Port Credit docks in each of the three calendar years, 1958, 1959, and 1960?

Hon. D. J. Walker (Minister of Public Works):

1. $568,701.84.

2. $37,825.20. This amount was paid out for "allied facilities at Port Credit" but it was not associated with the main wharf in question. The work was done to maintain the channel to the inner harbour at the mouth of the Credit river.

3. 1958—Nil; 1959—Nil; 1960—6,509 tons of rock salt.

These figures do not include cargo over private wharves.

SALES PROMOTION CONFERENCE, OTTAWA

Question No. 314—**Mr. Argue:**

1. How many companies sent representatives to the sales promotion conference held in Ottawa last November by the Minister of Trade and Commerce?
2. What is the name of each company, and the business in which they are engaged?
3. Are any of these companies (a) American subsidiaries (b) controlled by American companies?
4. If so: (a) which ones? (b) what is the name of the parent company? (c) what is the extent of the control?
5. Have any companies not followed through after prospective sales were initiated at the sales promotion conference or afterwards?
6. If so, which ones?
7. What sales have taken place as a result of this conference?

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce):

1. 1,133.

2. It is not deemed advisable nor in the public interest to publish this list.

3. This question relates to internal matters of private companies.

4. See number 3.

5. Yes. Approximately 367.

6. It is not advisable to name these companies. As the Minister of Trade and Commerce has already intimated, he is following up these cases with the hope that further action may be stimulated.

7. Approximately 52 commodities to 22 different countries largely at this time in the category of trial orders for over $2 million.

C.N. TELEPHONE SYSTEMS, ATLANTIC PROVINCES

Question No. 315—**Mr. Batten:**

1. Does the Canadian National Telegraphs operate telephone systems in any areas of (a) Nova Scotia (b) New Brunswick (c) Prince Edward Island?
2. If so, what are these areas?
3. What is the population and the number of subscribers served in each area?
4. What is the total main line mileage in each system?

Hon. Leon Balcer (Minister of Transport): The management of Canadian National Railways advise that the answer to part 1 is that Canadian National Telegraphs does not operate telephone systems in the provinces mentioned.

Parts 2, 3 and 4 are, therefore, not applicable.

FEDERAL ADVANCES TO UNEMPLOYMENT INSURANCE COMMISSION

Question No. 316—**Mr. Caron:**

1. Have any advances been made by the government to the unemployment insurance commission during the fiscal year 1960-61, and since the beginning of the present fiscal year?
2. If so, what is the amount of each such advance, and the date on which it was made?

Hon. Donald M. Fleming (Minister of Finance): The answer to question 1 is yes. The answer to question 2 consists of a long list of dates and amounts. I could read this, but perhaps it would suffice if the information were placed in *Hansard* without being read.

Mr. Speaker: It consists of one page?

Mr. Fleming (Eglinton): Yes, Mr. Speaker.

Mr. Speaker: Has the minister leave to have the figures printed?

Some hon. Members: Agreed.

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

2. Fiscal year 1960-61

Date	Amount
April 19, 1960	$ 4,000,000
April 25, 1960	12,000,000
April 29, 1960	3,000,000
May 6, 1960	1,000,000
May 11, 1960	4,000,000
May 18, 1960	3,000,000
May 26, 1960	4,000,000
May 30, 1960	2,000,000
May 31, 1960	4,000,000
February 20, 1961	3,000,000
February 22, 1961	2,000,000
February 23, 1961	2,000,000
February 24, 1961	3,000,000
February 27, 1961	4,000,000
February 28, 1961	4,500,000
March 2, 1961	3,000,000

Starred Questions

Fiscal year 1960-61—*con.*

Date	Amount
March 3, 1961	$ 2,000,000
March 6, 1961	3,000,000
March 7, 1961	1,000,000
March 8, 1961	2,000,000
March 9, 1961	3,000,000
March 10, 1961	3,000,000
March 13, 1961	3,000,000
March 14, 1961	3,000,000
March 20, 1961	4,000,000
March 21, 1961	1,000,000
March 23, 1961	3,000,000
March 24, 1961	3,000,000
March 27, 1961	3,000,000
March 28, 1961	3,000,000
March 29, 1961	4,000,000
March 30, 1961	4,500,000
Fiscal year 1961-62 (To May 8, 1961)	
April 4, 1961	$ 3,000,000
April 5, 1961	3,000,000
April 6, 1961	3,000,000
April 7, 1961	1,000,000
April 10, 1961	3,000,000
April 11, 1961	3,000,000
April 12, 1961	3,000,000
April 13, 1961	3,000,000
April 14, 1961	3,000,000
April 19, 1961	2,000,000
April 21, 1961	1,500,000
April 25, 1961	3,000,000
April 26, 1961	2,000,000
April 27, 1961	4,000,000
April 28, 1961	3,500,000
May 1, 1961	2,000,000
May 2, 1961	1,000,000
May 3, 1961	2,500,000
May 4, 1961	2,000,000
May 5, 1961	2,000,000
May 8, 1961	1,000,000

INTERNATIONAL AIR ROUTES—C.P.A. APPLICATIONS

Question No. 317—**Mr. Ratelle:**

1. Did Canadian Pacific Airlines apply to the air transport board or to the government for permission to fly a new international route or routes, or to add to its present routes the right to stop over in certain countries?

2. What were these routes with stopovers?

3. Have these applications been heard; and, if so, (a) by whom (b) what decision has been rendered?

4. Is Canadian Pacific Airlines authorized, under its bilateral air agreements or otherwise, to carry local traffic between two points in a foreign country or between several points in one foreign country to one or more points in another foreign country; and, if so, list the points?

Hon. Leon Balcer (Minister of Transport):

1. Yes.

2. Canadian Pacific Airlines has applied for the following international routes—

[Mr. Speaker.]

(a) Western Canada—(Vancouver-Edmonton)—London.

(b) (Toronto-Montreal)—London (using propeller-driven aircraft only).

3. (a) This application has been heard by a special cabinet committee, and (b) no decision has yet been rendered.

4. No Canadian air line is permitted under any bilateral air agreement to carry local traffic between two points in a foreign country. In operating its overseas service, Canadian Pacific Airlines is authorized to carry traffic between the following points in foreign countries:

Mexico City-Lima (Peru)
Lima-Santiago (Chile)
Santiago-Buenos Aires (Argentina)
Tokyo-Hong Kong
Honolulu-Fiji-Auckland (New Zealand)-Sydney (Australia)
Azores-Lisbon-Rome

TRANSCONTINENTAL AIR ROUTES—C.P.A. APPLICATIONS

Question No. 318—**Mr. Ratelle:**

1. Did Canadian Pacific Airlines apply to the air transport board or to the government for permission to fly a new transcontinental route or routes, or to add to its present routes, the right to stop over?

2. What were these routes with stopovers?

3. Have these applications been heard; and, if so, (a) by whom (b) what decision has been rendered?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the answer to this question is as follows:

With respect to part 1, Canadian Pacific Airlines has not applied to the air transport board for new transcontinental routes but has made general representations to the government based on a sharing of future main line traffic growth in Canada.

With respect to part 2, no specific routes or additional points have been applied for.

With respect to part 3 (a), no formal application has been heard, and (b), no decision has been rendered.

AUTAIR HELICOPTER SERVICES—AIRCRAFT EQUIPMENT

Question No. 319—**Mr. Chevrier:**

1. Do the regulations of the air transport board require an operator to file a statement of the aircraft equipment in its possession?

2. Did Autair Helicopter Services Limited file such a statement, and on what date?

3. What equipment did it have in its possession on that date?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the answer to this question is as follows:

1. Yes. A fleet report, listing all aircraft in its possession is filed by each carrier for

four specified days a year; January 15, April 15, July 15 and October 15.

2. Yes, for the last specified date, April 15.

3. 15 aircraft, as follows:

Type of aircraft	Number	Status in fleet
Bell 476	3	Owned
Bell 476-2	7	Owned
Bell 476-2A	2	Owned
Sikorsky S-55	3	Owned

AUTAIR HELICOPTER SERVICES—FINANCIAL STATEMENTS

Question No. 320—**Mr. Chevrier:**

1. Do the regulations of the air transport board require an operator to file a financial statement either quarterly, semi-annually, or yearly?
2. Did Autair Helicopter Services Limited file such a statement for the years 1959, 1960, and 1961?
3. Does the air transport board conduct an investigation from time to time into the affairs of licensed carriers?
4. Has it done so in the case of Autair Helicopter Services Limited, and on what date?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the answer to this question is as follows:

1. All authorized licencees are required to file financial data on an annual basis and throughout the year either monthly or quarterly as defined by regulations.

2. 1959—yes.
1960—monthly filed, annual outstanding.
1961—monthly filed for January and February.

3. Yes. Periodic audit of carrier's books.

4. Yes. Last audit survey in February 1961.

AUTAIR HELICOPTER SERVICES—EQUIPMENT LEASES ABROAD

Question No. 321—**Mr. Chevrier:**

1. Did Autair Helicopter Services Limited apply to the air transport board for permission to lease certain equipment outside Canada?
2. If so: (a) on what date? (b) what equipment?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the answer to this question is as follows:

The answer to part 1 is yes, on a dry lease basis.

With respect to part 2 (a) the date was April 3, 1961, and (b), the equipment was two S-55 helicopters.

DISCRIMINATION AGAINST COLOURED RAILWAY EMPLOYEES

Question No. 323—**Mr. Martin (Essex East):**

1. Has the government received any complaints regarding discrimination against coloured employees of the railways, particularly as regards promotion opportunities?
2. If so, from whom have these complaints been received?
3. What reply has been made?

Starred Questions

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I would ask that this question be made an order for return.

Mr. Speaker: Order for return.

INDIAN RESERVE, SARNIA—TRANSFER OF LAND TITLE

Question No. 324—**Mr. Pickersgill:**

1. Has title to any part of the Indian reserve at Sarnia covered by the contract with Dimensional Investments Limited been given to any other person or corporation?
2. If so, for what area, and to what person or corporation?
3. If not, is consideration being given to transferring title to any part of this property, and, if so, to whom?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, the answer to this question is as follows:

1. Yes.

2. (a) the Hydro Electric Power Commission of Ontario, 173.823 acres.
(b) Sun Oil Company Limited, 112.000 acres.
(c) Dow Chemical of Canada Limited, 66.666 acres.
(d) St. Clair Chemical Limited, 10.000 acres.
(e) Gunnar Realty Limited, 101.384 acres.
This makes a total of 463.873 acres.

3. Not applicable.

ENFRANCHISEMENT OF INDIANS

Question No. 325—**Mr. Howard:**

How many Indians, if any, by province have been enfranchised for each of the years 1959 and 1960?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, the answer to this question is in the form of a statistical table and I ask that it be made an order for return.

Mr. Howard: Mr. Speaker, could we have this printed in *Hansard* at this point as read?

Mrs. Fairclough: This is a fairly short table, and if it is desired to have it printed at this point I have no objection.

Mr. Speaker: Is the house agreeable that this statistical report be printed instead of read?

Some hon. Members: Agreed.

[*Editors note: The table above referred to is as follows:*]

	Fiscal year 1959-60	Fiscal year 1960-61
Nova Scotia	6	15
Prince Edward Island	Nil	1
New Brunswick	17	26
Quebec	45	56
Ontario	356	276
Manitoba	193	108
Saskatchewan	113	126
Alberta	95	64
British Columbia	234	238
Northwest Territories	32	23
Yukon Territory	32	21
Totals	1,123	954

Starred Questions

SECTION 96(A)(2), INDIAN ACT

Question No. 326—**Mr. Howard:**

Since July 1, 1958, has section 96 (A) (2) of the Indian Act been declared to be in force, and, if so, what is the name of each Indian band affected, and the date upon which the said section was so declared to be in force?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I would ask that this question be made an order for return. I think the answer is too long to be printed at this point.

Mr. Speaker: Order for return.

SARNIA INDIAN RESERVE—LAND HOLDINGS

Question No. 327—**Mr. Fisher:**

1. In relation to the Sarnia Indian reserve and land deals with outside agencies, do any of the Indians, including the chief, hold land individually which come within the negotiations and arrangements that have been made in the past two years?
2. If so, which Indians, and how much land does each hold?
3. Did the chief alone, or the chief for and with the band council, or the agent for the council, wire the minister asking that there be an extension of the arrangement with dimensional investments?
4. How long has the present incumbent been the chief?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, the answer to this question is as follows:

1. Yes.

2. The common lands of the band on the Sarnia reserve consist of only 16 acres. All the remainder of the 3,100 acres involved in this sale has been located to individual members. Particulars, including the name of the Indian locatee and the area held by each individual Indian are contained in schedule "B" of the agreement of sale which was tabled in the house on June 8, 1959, in response to notice of motion No. 106 of May 12, 1959.

3. No.

4. Since June 16, 1958.

NATIONAL SURPLUSES AND DEFICITS

Question No. 330—**Mr. Carter:**

1. What was the government of Canada's surplus or deficit in each of the years from 1950 to 1960 inclusive?
2. What was the rise or fall in the cost of living for each year during the same period?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I would ask that this question be made an order for return.

Mr. Speaker: Order for return.

[Mr. Speaker.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

DISCRIMINATION AGAINST COLOURED RAILWAY EMPLOYEES

Question No. 323—**Mr. Martin (Essex East):**

1. Has the government received any complaints regarding discrimination against coloured employees of the railways, particularly as regards promotion opportunities?
2. If so, from whom have these complaints been received?
3. What reply has been made?

SECTION 96 (A)(2), INDIAN ACT

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NATIONAL SURPLUSES AND DEFICITS

Question No. 330—**Mr. Carter:**

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2. What was the rise or fall in the cost of living for each year during the same period?

MOTIONS FOR PAPERS

OLD CUSTOMS BUILDING, WINNIPEG—DEMOLITION

Motion No. 99—**Mr. Argue:**

For a copy of all correspondence, telegrams, and other documents exchanged between the Department of Agriculture, the Canadian wheat board, and any individual or company, since January 1, 1961, in connection with the demolition of the old customs building situated at the corner of Main and McDermot avenue in Winnipeg.

Hon. Alvin Hamilton (Minister of Agriculture): I can accept this motion, subject to the usual reservation that correspondence between the department and the wheat board is considered to be privileged.

Mr. Speaker: Subject to the reservation requested by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

GRAIN SALE TO CHINA, 1961—CONTRACT

Motion No. 118—**Mr. McIlraith:**

For a copy of the contract between the Canadian wheat board and the China Resources Company for the sale of grain covering the period June 1, 1961, to November 30, 1961.

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I have to advise the house that I cannot accept this motion, because it calls for the production of documents which are considered to be privileged.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I point out that this document was referred to by the minister in his statement to the house the other day.

Motions for Papers

Mr. Speaker: Does the hon. member wish to proceed with the motion, in view of what the minister has said, or is he prepared to drop it?

Mr. McIlraith: No; I would ask that the motion be put.

Mr. Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those against it please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

(*And more than five members having risen:*)

Mr. Speaker: Call in the members.

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

YEAS

Messrs:

Argue
Badanai
Batten
Benidickson
Boulanger
Cardin
Carter
Denis
Deschatelets
Dumas
Eudes
Fisher
Forgie
Garland
Granger
Habel
Herridge
Howard
LaMarsh, Miss
Leduc
Lessard
Loiselle
Macnaughton
McIlraith
McMillan
Martin (Essex East)
Martin (Timmins)
Meunier
Mitchell
Pearson
Peters
Pickersgill
Pitman
Racine
Ratelle
Richard (Ottawa East)
Roberge
Robichaud
Tardif
Tucker
Winch—41.

NAYS

Messrs:

Aiken
Allmark
Anderson
Asselin
Balcer
Barrington
Baskin
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Best
Bigg
Bissonnette
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Campbell (Lambton-Kent)
Chambers
Charlton
Chown
Coates
Comtois
Cooper
Creaghan
Crouse
Danforth
Deschambault
Diefenbaker
Dinsdale
Dorion
Doucett
Drysdale
English
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Flemming (Royal)
Forbes
Fulton
Grafftey
Grills
Gundlock
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hanbidge
Harkness
Hees
Henderson
Hicks
Hodgson
Horner (Acadia)
Howe
Jones
Jorgenson
Kennedy
Kindt
Knowles
Korchinski
Kucherepa
Lahaye
Lambert
Latour
Lennard
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McCleave
McFarlane
McGee
McGrath
McIntosh
McLennan
McPhillips
McQuillan
Mandziuk
Martel
Martineau
Martini
Matthews
Monteith (Perth)
Monteith (Verdun)
Montgomery
More
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nielsen
Noble
Nowlan
O'Hurley
O'Leary
Pallett
Parizeau
Pascoe
Paul
Payne
Phillips
Pigeon
Pratt
Rapp
Regnier
Ricard
Richard (Kamouraska)
Robinson
Rogers
Rompre
Rowe
Rynard
Sevigny
Simpson
Skoreyko
Small
Smallwood
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Southam
Spencer
Starr
Stearns
Stefanson
Stewart
Stinson
Thompson
Thrasher
Tremblay
Valade
Villeneuve
Vivian
Walker
Webb
Weichel
White
Winkler
Wratten—146.

GRAIN SALE TO CHINA—AGREEMENT

Motion No. 119—**Mr. McIlraith:**

For a copy of the long term agreement signed by the Canadian wheat board and the China resources company covering the period June 1, 1961, to December 1963.

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, as with the last motion, I must point out that never in the past have commercial contracts of the Canadian wheat board been made public, in the interests of keeping information from our competitors. I should like to point out that at the present time Australia is competing for markets in China.

Mr. Speaker: Order. The minister may either accept or reject the motion, but he is not entitled to debate it. In view of the explanation, does the hon. member wish to proceed?

Mr. G. J. McIlraith (Ottawa West): I wish to proceed, Mr. Speaker, but I wish to raise a point of order as to the right of the minister to refuse production. I will try to keep my remarks strictly relevant to the point of order, and to make them brief.

Some hon. Members: Question.

Mr. Speaker: I doubt whether any such point could arise on a motion on which the house itself will decide whether the documents are to be produced. The minister has no power to refuse production. It is the house which is to determine the issue.

Mr. McIlraith: My point is this—

Mr. Speaker: Order. If the hon. member has a point of order I will be interested to hear what it is, but I have indicated my views on the matter.

Mr. McIlraith: My point of order has to do with whether this matter has been determined. It arises out of this. It will be seen from the form of the motion that it refers to a particular agreement which is clearly identified, and it is identified with an agreement referred to on motions on Tuesday, May 2, 1961. It will be seen that the precise language of the motion now before the house is in accordance with the precise language used in that item of business on motions on Tuesday, May 2. If Your Honour wishes any further reference to the identification of it—

Some hon. Members: Order.

Mr. McIlraith: —the minister said on that occasion, as reported at page 4205 of *Hansard*:

> I am now pleased to report that a long term agreement has been signed. This long term agreement covers the period June 1, 1961 to December, 1963.

Mr. Speaker: Order. The hon. member is making the point, as I understand it, that the document, having been referred to before, must be produced and therefore the minister has no power to refuse production. But I think the hon. member has misconceived his rights under the rules and, if I may say so, if he felt the document, when referred to, ought to have been produced he should then have required its production. The issue before the house now is not the right of the minister to withhold or produce, but whether the house will order him to produce the document. Therefore to my mind the point which the hon. member makes is immaterial and is not properly taken at this time.

Mr. McIlraith: Mr. Speaker, certainly I have no quarrel with what you have said, except that it has not fully dealt with the point of order that I was seeking to raise, because it has anticipated the point of order in part. My point does arise out of the obligation of a minister of the crown to produce the document. The reference on that point is contained in Beauchesne, fourth edition, at page 134, citation 159, subparagraph (2), which reads:

> A minister of the crown is not at liberty to read or quote from a despatch or other state paper not before the house, unless he be prepared to lay it upon the table. This restraint is similar to the rule of evidence in courts of law, which prevent counsel from citing documents which have not been produced in evidence. The principle is so reasonable that it has not been contested; and when the objection has been made in time, it has been generally acquiesced in.

My point is that the minister determined this matter by his action on Tuesday, May 2, on motions. It having been determined by his action then, to which no objection was taken at that time, it is not now open to the house to refuse it and what is before the house is a mere formality.

Mr. Speaker: I have heard the hon. member out but, as I rather anticipated when he began, what is now before the house is a motion which is not debatable unless it is deferred for debate under the rules. The motion prays that His Excellency the Governor General will cause to be laid before this house a copy of a certain agreement. That is the only issue before the house. The minister has indicated that he is opposed to the motion, but the matter still falls for the decision of the house. Accordingly I shall put the question.

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

YEAS

Messrs:

Argue	Macnaughton
Badanai	McIlraith
Batten	McMillan
Benidickson	Martin (Essex East)
Boulanger	Martin (Timmins)
Cardin	Meunier
Carter	Mitchell
Clermont	Nixon
Denis	Pearson
Deschatelets	Peters
Dumas	Pickersgill
Eudes	Pitman
Fisher	Racine
Forgie	Ratelle
Garland	Richard (Ottawa East)
Granger	Richard (St. Maurice-Lafleche)
Habel	
Herridge	Roberge
Howard	Robichaud
LaMarsh, Miss	Tardif
Leduc	Tucker
Lessard	Winch—44.
Loiselle	

NAYS

Messrs:

Aiken	Allmark
Allard	Anderson

Asselin
Balcer
Barrington
Baskin
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Best
Bigg
Bissonnette
Brassard (Chicoutimi)
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Campbell (Lambton-Kent)
Chambers
Charlton
Chown
Coates
Comtois
Cooper
Creaghan
Crouse
Danforth
Deschambault
Diefenbaker
Dinsdale
Dorion
Doucett
Drysdale
English
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Flemming (Royal)
Forbes
Fulton
Grafftey
Grills
Gundlock
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hanbidge
Harkness
Hees
Henderson
Hicks
Hodgson
Horner (Acadia)
Howe
Jones
Jorgenson
Kennedy
Kindt
Knowles
Korchinski
Kucherepa
Lahaye
Lambert
Latour
Lennard
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McCleave
McFarlane
McGee
McGrath
McIntosh
McLennan
McPhillips
McQuillan
Mandziuk
Martel
Martineau
Martini
Matthews
Monteith (Perth)
Monteith (Verdun)
Montgomery
More
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nielsen
Noble
Nowlan
Nugent
O'Hurley
O'Leary
Pallett
Parizeau
Pascoe
Paul
Payne
Phillips
Pigeon
Pratt
Rapp
Regnier
Ricard
Richard (Kamouraska)
Robinson
Rogers
Rompre
Rowe
Rynard
Sevigny
Simpson
Skoreyko
Small
Smallwood
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Southam
Spencer
Starr
Stearns
Stefanson
Stewart
Stinson
Thompson
Thrasher
Tremblay
Valade
Villeneuve
Vivian
Walker
Webb
Weichel
White
Winkler
Wratten—149.

COMBINES INVESTIGATION, NEW DRUGS

Motion No. 122—**Mr. Howard:**

For a copy of all correspondence, telegrams, and other documents exchanged between the government or the combines investigation branch of the Department of Justice or the restrictive trades practices commission and:

Abbott Laboratories Ltd.; Ames Co. of Canada Ltd.; Anca Pharmaceuticals, div. of The Wander Co. of Canada Ltd.; Anglo-French Drug Co. Ltd.; Arlington-Funk Laboratories div. of U.S. Vitamin Corp. of Canada Ltd.; Arner Co. Ltd.; Astra Pharmaceuticals (Canada) Ltd.; Ayerst, McKenna and Harrison Ltd.; Baxter Laboratories of Canada Ltd.; Beecham Research Laboratories Ltd.; Bristol Laboratories of Canada Ltd.; The British Drug Houses (Canada) Ltd.; Burroughs Wellcome and Co. (Canada) Ltd.; Carter, Cummings and Co. Ltd.; Casgrain and Charbonneau Ltée.; Ciba Co. Ltd.; Cyanamid of Canada Ltd.; Charles E. Frosst and Co.; Geigy Pharmaceuticals, div. of Geigy (Canada) Ltd.; Glaxo-Allenburys (Canada) Ltd.; J. F. Hartz Co. Ltd.; Hoechst Pharmaceuticals of Canada Ltd.; Hoffman-La Roche Ltd.; Frank W. Horner Ltd.; Ingram and Bell Ltd.; Laboratoires Nadeau Ltée.; Lakeside Laboratories (Canada) Ltd.; Laurentian Laboratories Ltd.; Eli Lilly and Co. (Canada) Ltd.; Lloyd Brothers Pharmaceuticals Ltd.; Mallinckrodt Chemical Works Ltd.; May and Baker (Canada) Ltd.; Mead Johnson of Canada Ltd.; Merck and Company Ltd. Merck Sharp and Dohme div.; The Wm. S. Merrell Co.; Mowatt and Moore Ltd.; Ortho Pharmaceutical (Canada) Ltd.; Parke Davis and Co. Ltd.; S. B. Penick and Co.; Pfizer Canada, div. of Pfizer Corp.; Pitman-Moore of Canada Ltd.; E. B. Shuttleworth div. of H. Powell Chemical Co. Ltd.; Rougier Inc.; Sandoz Pharmaceuticals, div. of Sandoz (Canada) Ltd.; W. E. Saunders Ltd.; R. P. Scherer Ltd.; Shering Corp. Ltd.; G. D. Searle and Co. of Canada Ltd.; Smith Kline and French Inter-American Corp.; E. R. Squibb and Sons of Canada Ltd.; Strong Cobb of Canada Ltd.; The Upjohn Co. of Canada; Henry K. Wampole and Co. Ltd.; Warner-Chilcott Laboratories Co. Ltd.; Charles R. Will and Co. Ltd.; Winthrop Laboratories of Canada Ltd.; John Wyeth and Brother (Canada) Ltd.; and

for a copy of all books, papers, records or other documents obtained by the combines investigation branch from the said pharmaceutical companies, since January 1, 1957, dealing with the investigation recently completed by the combines investigation branch which resulted in a statement of evidence being submitted to the restrictive trade practices commission regarding the selling and pricing policies of certain pharmaceutical houses in respect of new types of drugs.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the documents asked for are clearly documents which were obtained by or prepared for the director for the purposes of an inquiry which parliament has provided, under the Combines Investigation Act, should be held in private. As I explained last week on May 3 and 4, these documents form the basis for the statement of material prepared by the director, which statement, together with the documents, is now before the commission. The commission's report will be made in due course and will contain reference to such of the documents as the commission deems appropriate, and that report will be made public.

Division

I cannot accept the motion for the production of documents which parliament has intended should be private.

Mr. Frank Howard (Skeena): Mr. Speaker, I think the dealings of some of these drug manufacturers should see the light of day, and I wish the motion to be put.

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

YEAS

Messrs:

Argue	Lessard
Badanai	Loiselle
Batten	McIlraith
Benidickson	McMillan
Boulanger	Martin (Essex East)
Bourque	Martin (Timmins)
Cardin	Meunier
Carter	Nixon
Clermont	Pearson
Denis	Peters
Deschatelets	Pickersgill
Dumas	Pitman
Eudes	Racine
Fisher	Ratelle
Forgie	Richard (Ottawa East)
Garland	Richard (St. Maurice-Lafleche)
Granger	Roberge
Habel	Robichaud
Herridge	Tardif
Howard	Tucker
LaMarsh, Miss	Winch—43.
Leduc	

NAYS

Messrs:

Aiken	Dorion
Allard	Doucett
Allmark	Drysdale
Anderson	English
Asselin	Fairclough, Mrs
Balcer	Fairfield
Barrington	Fane
Baskin	Fleming (Eglinton)
Beech	Flemming (Royal)
Bell (Carleton)	Forbes
Bell (Saint John-Albert)	Fulton
Belzile	Grafftey
Best	Grills
Bigg	Gundlock
Bissonnette	Hales
Broome	Halpenny
Browne (St. John's West)	Hamilton (Notre Dame de Grace)
Browne (Vancouver-Kingsway)	Hamilton (Qu'Appelle)
Bruchesi	Hanbidge
Brunsden	Harkness
Campbell (Lambton-Kent)	Hees
Chambers	Henderson
Charlton	Hicks
Chown	Hodgson
Clancy	Horner (Acadia)
Coates	Howe
Comtois	Jones
Cooper	Jorgenson
Creaghan	Kennedy
Crouse	Kindt
Danforth	Knowles
Deschambault	Korchinski
Diefenbaker	Kucherepa
Dinsdale	Lahaye
LaRue	Lambert
Latour	Payne
Lennard	Phillips
MacEwan	Pigeon
MacInnis	Pratt
MacLean (Queens)	Rapp
Macquarrie	Regnier
MacRae	Ricard
McCleave	Richard (Kamouraska)
McFarlane	Robinson
McGee	Rogers
McGrath	Rompre
McIntosh	Rowe
McLennan	Rynard
McPhillips	Sevigny
McQuillan	Simpson
Mandziuk	Skoreyko
Martel	Small
Martineau	Smallwood
Martini	Smith (Calgary South)
Matthews	Smith (Lincoln)
Monteith (Perth)	Smith (Simcoe North)
Monteith (Verdun)	Southam
Montgomery	Spencer
More	Starr
Morris	Stearns
Morton	Stefanson
Muir (Cape Breton North and Victoria)	Stewart
Muir (Lisgar)	Stinson
Murphy	Thompson
Nielsen	Thrasher
Noble	Tremblay
Nowlan	Valade
Nugent	Villeneuve
O'Hurley	Vivian
O'Leary	Walker
Pallett	Webb
Parizeau	Weichel
Pascoe	White
Paul	Winkler
	Wratten—149.

NATIONAL DEFENCE

NATO—OFFER BY U.S. OF MISSILE-CARRYING SUBMARINES

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he could make a statement to the house on the Canadian position in regard to the offer made by the United States to NATO forces of five submarines with Polaris nuclear missiles?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as yet we have received no official report concerning what took place at the NATO meeting. The only report we have is the press report to the effect that such matters as disarmament were given support and that the West Berlin question was discussed. As well, there was a reference to the subject matter of the point raised by the hon. gentleman.

I think the house should have a copy of the communique, and as soon as it is received I shall table it.

UNITED NATIONS

ANGOLA—INQUIRY AS TO CANADIAN POSITION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Prime Minister. Would the Prime Minister care to say what is Canada's position at NATO with regard to Angola forced labour conditions and discrimination against the Angolans by the Portuguese?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, so far as Angola is concerned, there was a resolution in the United Nations on April 20 which called upon the government of Portugal to consider urgently the introduction of measures of reform in Angola, and asked the president of the general assembly to appoint a subcommittee to examine the statements made before the general assembly concerning Angola, to receive further statements and to conduct inquiries and report to the general assembly. This resolution was sponsored by 36 Afro-Asian states. In the vote Canada supported the motion and took a stand which is very clear.

Mr. Argue: A supplementary question, Mr. Speaker. Would the Prime Minister say whether the Canadian Secretary of State for External Affairs will raise this question at the NATO meeting? Would the Prime Minister comment on a press report to the effect that our minister of external affairs has decided, at least for the time being, to drop the matter?

Mr. Diefenbaker: Mr. Speaker, I have no observations to make on press reports. All I can say is that was the stand that Canada took on April 20, and our position is unchanged in that regard.

Mr. Argue: The Prime Minister cannot say whether Canada will raise this question at the NATO meeting?

Mr. Diefenbaker: Mr. Speaker, I think the NATO meeting has concluded. The hon. gentleman, as is frequently the case, is again somewhat late.

Mr. Argue: Could the Prime Minister explain to the house why the Secretary of State for External Affairs did not make a prepared speech on this subject?

Mr. Speaker: I am not sure that the hon. member is asking about something within the administrative responsibility of the minister in question. I rather think not.

Inquiries of the Ministry

CONGO—REPRESENTATIONS RESPECTING DEATHS OF U.N. SOLDIERS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, yesterday the hon. member for Vancouver East asked me a question as to whether the Canadian government had communicated with the United Nations regarding recent attacks involving the deaths of a number of United Nations soldiers in the Congo and whether representations had been made so that those responsible would be brought to trial.

The United Nations, without the need for any prompting or representation from member states, has undertaken an investigation of the tragic circumstances of the recent incident in which a number of Ghanaian soldiers and several officers of British and Swedish nationality were killed.

I think this is an occasion upon which to express our sympathy to the government and army of Ghana for their losses and express our admiration for the substantial and effective contribution Ghana has made to the United Nations operations in the Congo. The conduct of operations there and the difficulties encountered are matters which come to the attention of the secretary general's advisory committee on the Congo. Canada is represented on this committee, and Canadian views are expressed as the occasion requires.

EXTERNAL AFFAIRS

LAOS—INQUIRY AS TO CURRENT SITUATION

On the orders of the day:

Mr. A. D. McPhillips (Victoria, B.C.): Mr. Speaker, I should like to direct a question to the Prime Minister. I wonder whether the Prime Minister could bring the house up to date on the present situation in Laos.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the international supervisory commission arrived in Laos on May 8. The commissioners and some of their advisers are in Vientiane. Representatives of India, Canada and Poland are also proceeding to Xieng Khouang, the headquarters of Souvana Phouma. As I indicated on Monday, the first task of the commission will be, and I quote from the message of the co-chairmen of the commission on May 6:

> —to fix the cease fire in accordance with the understanding of the belligerent parties in Laos and to exercise supervision and control over it.

Canada will be represented at the international conference on Laos which is being held in Geneva on May 12. It will then have an opportunity to make known its views on the supervisory arrangements which may be necessary in the future.

Inquiries of the Ministry

The same question was raised yesterday, I think it was, respecting the observance of the cease fire. There has been no change in the last two days. There is no information to substantiate press reports that some difficulty was encountered at a meeting yesterday between representatives of the two parties. The commission, of course, just arrived, and conditions in Laos are disturbed with the result that communication difficulties are bound to arise at first.

I think the hon. gentleman would have a rather full explanation if the house would agree to the printing as an appendix to *Hansard* of the message from the co-chairmen of the Geneva conference on Indo-China to the international commission for supervision and control in Laos, which sets forth fairly completely the situation as it is today.

Mr. Speaker: Is the house agreeable that this document be printed as an appendix to *Hansard*.

Some hon. Members: Agreed.

[*Editor's note: For text of document referred to above, see appendix "A".*]

Hon. Paul Martin (Essex East): May I ask the Prime Minister a question with regard to the Geneva conference which is scheduled to open on May 12. In view of the reported failure thus far to arrive at a complete cease fire in Laos, according to news received at 9 o'clock over the radio, will the Prime Minister say if Canada takes the same position as that taken by the United Kingdom and the United States, namely that there will be difficulty on the part of those countries with regard to their participation in the conference until such time as a cease fire has been determined?

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman asked me a question yesterday as to whether the commission's functions other than supervision of the cease fire had been determined. In so far as the particular observation he now makes is concerned, may I say that our stand has been made very clear. After the conclusion of an agreement between the belligerent parties in Laos on questions connected with the cease fire, the commission should exercise control over the execution of this agreement. Those are the words in the document which has just been tabled as an appendix to *Hansard*.

Furthermore, as to the functions which the international commission for supervision and control in Laos will carry out on the completion of the first stage of the work, the determination of these functions falls within the competence of the international conference on Laos which will be held in Geneva beginning on May 12.

[Mr. Diefenbaker.]

Mr. Martin (Essex East): I thank the Prime Minister for answering my question of yesterday, but obviously I was not clear enough in the question I asked this morning. My question this morning had to do with what would be the attitude of Canada with regard to participation in this conference on May 12 in Geneva if the cease fire has not been determined, particularly in the light of the announcement by the United Kingdom that it would not attend the conference unless a cease fire had been determined by the international supervisory commission.

Mr. Diefenbaker: Canada will be represented at the opening of the conference. The stand that she will take will be announced at that time.

THE CENSUS

EGLINTON RIDING—POLITICAL AFFILIATION OF COMMISSIONERS

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of Finance, based on a press report in today's *Globe and Mail,* and ask him whether it is true that five census commissioners appointed in the riding of Eglinton are officers of the local Progressive Conservative Association.

An hon. Member: Who do you think they would be?

Another hon. Member: Now we know.

Mr. Speaker: Order.

Hon. Donald M. Fleming (Minister of Finance): I have not seen the article in question, Mr. Speaker. I do not know about the situation raised by the question as to all the persons concerned, but I can assure him that they are all very estimable citizens.

Mr. Garland: I have a supplementary question. In view of the tens of thousands of unemployed persons in the Toronto area, does he not think that more prudent choices could have been made?

Mr. Speaker: Order. I think the hon. member is now presenting a point of view rather than asking a question. I recognize the hon. member for Port Arthur.

Mr. D. M. Fisher (Port Arthur): My question is a supplementary one on this topic, but I want to go to the gentleman who is looking after the matter, namely the parliamentary secretary to the Minister of Trade and Commerce. I wonder if the parliamentary secretary would say whether any specific census district has been set up so that work

or jobs are correlated with the membership drives of any Progressive Conservative riding association.

Mr. Grafftey: Supercilious nonsense.

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): No.

TRADE

GRAIN—RATE OF STERLING EXCHANGE IN SALE TO CHINA

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I should like to direct a question to the Minister of Agriculture in order to obtain clarification of some previous answers given by him with reference to the proposed sale of wheat and the long term agreement with communist China. In his announcement he is reported as having indicated the value of the contract as approximately $362 million. There was no reference in that statement to sterling. Later on the same day—I refer to the day of the announcement—in answer to a question on the orders of the day he is reported as having said this, as found at page 4206 of *Hansard*:

—as I understand it all the payments will be made in sterling.

My question is this. Will he advise the house as to what rate of exchange he used in computing the dollar value given?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I will take this question as notice. However, I think more properly the question should go on the order paper.

Mr. Martin (Essex East): Deeper and deeper secrecy.

Mr. McIlraith: I have a supplementary question.

Mr. Speaker: There is no occasion for a supplementary question when the original question is taken as notice. The hon. member may ask another question in due course. I recognize the hon. member for Gloucester.

COAL

RAND REPORT—STUDY BY INTERDEPARTMENTAL COMMITTEE

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I wish to direct a question to the Minister of Mines and Technical Surveys. On February 14, almost 12 weeks ago, the minister advised this house that the interdepartmental committee appointed to study the recommendations of the Rand commission was expected to complete its study within a few weeks. Is the minister now in a position to advise the house whether the report has been received by the government? Also, is the minister in a position to report to the house on its findings?

(Translation):

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, only a few days ago I again asked the interdepartmental committee to hasten its consideration of the Rand report, so that the recommendations may be submitted to the cabinet committee. I was given the assurance that that study was almost completed, and I hope to be in a position to make an announcement shortly.

(Text):

POWER

COLUMBIA RIVER—DISCUSSIONS BETWEEN JUSTICE MINISTER AND U.S. INTERIOR SECRETARY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Justice. My question is based upon the curiosity of a lot of people and a number of phone calls.

In view of a report in the Vancouver *Sun* yesterday that the minister was meeting with Mr. Udall, United States secretary of the interior, to discuss Canada's failure to ratify the Columbia river treaty; and in view of the fact that the United States secretary of the interior told a press conference in Ottawa yesterday, "We are champing at the bit", has the minister any information to give the house with respect to his discussions with the United States secretary of the interior on the Columbia river treaty?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the hon. gentleman was good enough to send me notice of his intention to ask this question. May I first correct a misapprehension appearing in it and state positively that Canada has not failed to ratify the Columbia river treaty.

With regard to my discussions yesterday with Mr. Udall, United States secretary of the interior, these were of course confidential, but apparently the secretary of the interior was reported as saying at a press conference that the United States is anxious to get on with the construction of the projects called for under the treaty. I can make no comment on that. The remarks of the secretary of the interior are self explanatory.

I can, however, say that this government is also anxious to see construction started at the earliest possible moment in order that the benefits of the treaty may be realized, and that the 31 million man-hours of employment on at-site construction in Canada may begin

to be realized as early as possible. We hope, therefore, that British Columbia will make up its mind what it wants to do in the very near future.

Mr. Herridge: A supplementary question, Mr. Speaker. In view of the report in the Vancouver *Sun* yesterday that the United States was putting pressure on Canada to get cracking on the Columbia river development, would the minister inform the house of his reaction to this reported pressure?

Mr. Speaker: Order. I think the hon. member's supplementary was covered in the original question.

Mr. Fulton: Mr. Speaker, unless you rule the question out of order I should like to say that I am not aware of any pressure being applied by the government of the United States.

Hon. L. B. Pearson (Leader of the Opposition): Is the minister in a position to give the house an assurance that the storage dams and hydro development projects under this treaty will commence in 1961?

Mr. Fulton: No, I am not in a position to give that assurance. Perhaps my hon. friend's question should be addressed to the premier of British Columbia.

Mr. Pearson: Mr. Speaker, may I ask the Minister of Trade and Commerce a question arising out of the minister's reply. If that is the case, why has the Minister of Trade and Commerce authorized a publication entitled "Industrial investment projects in Canada" which includes $458 million for hydro development and storage dam projects under the Columbia river treaty construction to begin in 1961?

Hon. George H. Hees (Minister of Trade and Commerce): It is our hope—

Mr. Pickersgill: Another vision.

Mr. Hees: —that this very important construction program—something not conceived by the late lamented Liberal government—will get under way as soon as possible.

Mr. Benidickson: The record speaks for itself.

An hon. Member: It surely does.

PUBLIC SERVICE

PUBLIC RELATIONS OFFICER, HIGH COMMISSIONER TO U.K.

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Prime Minister and ask him, in view of the announcement of the appointment of Mr. Jack Stepler as public relations officer to the Canadian high commissioner to the United Kingdom, whether he would announce what the salary structure and promotion steps of Mr. Stepler will be.

Mr. Speaker: I think the hon. member should give notice of that question on the order paper in the usual way as it calls for statistical information.

HOUSING

C.M.H.C.—RECRUITMENT OF PERSONNEL IN U.K.

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Would the minister inform the house whether an advertisement which was carried by the *Daily Telegraph* in London, England, on May 6, demonstrates a policy of Central Mortgage and Housing Corporation to recruit personnel overseas for vacancies existing in the head office and regional and district offices of the corporation in Canada?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I will be very glad to accept that question as notice; but as my friend the hon. member for Vancouver East probably knows, there are 20,000 to 25,000 jobs for skilled workers which are unfilled. I presume if there was an advertisement, it was in that connection.

Mr. Winch: I have the ad here.

BUSINESS OF THE HOUSE

SITTINGS OF COMMITTEES DURING LUNCHEON RECESS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, in view of the fact that we are having morning sessions until one o'clock and the house reconvenes at 2.30, may I ask the Prime Minister whether he thinks it is conducive to the proper discharge of our duties to have committees meet from one o'clock to 2.30?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have no control over the committees; they determine their own affairs. This is somewhat different from the old days.

Mr. Pickersgill: It is certainly somewhat different.

(Translation):

BRIDGES

CHAMPLAIN BRIDGE, MONTREAL—CONSTRUCTION OF APPROACHES

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the hon. member for St. Henry

put a question to me yesterday about the Champlain bridge. He asked me to tell the house whether the plans for the bridge approaches were completed and, if not, what was the cause of the delay.

In reply, I may inform him that the plans are completed.

The hon. member also asked the following supplementary question:

Is it a fact that the government is waiting for the Montreal city authorities to decide where the east-west express highway will pass before deciding on the site for the Champlain bridge approaches?

Well, the national harbours board will not wait necessarily until the lay-out of the east-west express highway is completed, but it will take into consideration the city's plans so that the bridge approaches may be connected with the express highway in question.

(Text):

UNEMPLOYMENT INSURANCE

REPORTED DENIAL OF DAY'S BENEFITS TO UNEMPLOYED DELEGATION

On the orders of the day:

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, I should like to direct a question to the Minister of Labour arising from a report in the Niagara Falls *Evening Review* of Saturday, May 6, where it was reported that one Harry Roberts, the president of the union for the unemployed, had inquired of the local unemployment insurance commission why one day's benefit had been deducted for the day he had been in Ottawa. He said he received a cheque with a note saying "Not available while in Ottawa". Upon inquiring further he was told that the information came from the newspapers and the quotation was, "You have been getting too much publicity, I fear".

My question is, in view of this government's predilection for publicity, is the criterion now—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member is entitled to ask for information but not to make debating remarks such as she was making. Perhaps the hon. member would ask her question before one o'clock.

Miss LaMarsh: —is the criterion as to whether or not one receives unemployment insurance to be whether one has publicity about his presence in an area on a day for which he is to be paid?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the hon. lady has asked me a question similar to the one she asked last Thursday, as reported in *Hansard* at page 4322. The hon. member's question was:

Has the minister received information to the effect that notwithstanding his assurance given to members of the unemployed delegation who visited Ottawa ten days ago, they have been deprived of their unemployment insurance benefits for the day of that visit?

I advised the hon. member that I had turned over the correspondence I had received to the unemployment insurance commission. That correspondence was signed by Mr. Heinz Richter, chairman of the Welland union of unemployed. On the basis of the information I have now received from the unemployment insurance commission I am dispatching today the following answer to Mr. Richter:

I referred the question to the unemployment insurance commission who inform me that the individual cases are now being decided by the adjudicating authorities authorized under the provisions of the act. The question at issue is whether the person concerned has maintained his availability for work.

Section 54 (2) of the Unemployment Insurance Act reads in part:

"An insured person is disqualified from receiving benefit in respect of every day for which he fails to prove that he was

(a) capable of and available for work".

This is a statutory requirement that permits of no discretionary powers.

This means that a claimant must be ready, able and willing to immediately accept suitable work. The claimants concerned are unlikely to be considered as having fulfilled this requirement on the day(s) engaged in the meeting that took place in Ottawa.

It is for this reason that benefit has been withheld pending decision of the adjudicating authorities.

Miss LaMarsh: A supplementary question—

Mr. Speaker: I wonder whether the hon. member would mind deferring her supplementary question until after the adjournment.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Miss LaMarsh: I should like to direct a supplementary question to the Minister of Labour. In view of the fact that among the delegation there were between 600 and 1,000 unemployed, can the minister say, bearing in mind that there were only some 60 from the county of Welland, whether individuals from any other riding in Ontario have been deprived of their day's benefit as a result of coming to Ottawa with the delegation.

Hon. Michael Starr (Minister of Labour): The first part of the hon. lady's statement is incorrect. As to the second part, I have

had communications from three individuals. That is the extent to which this matter has been brought to my attention.

PUBLICATIONS

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Prime Minister whether he has in his hands the report of the royal commission on publications and, if so, when a copy will be tabled in the house.

Right Hon. J. G. Diefenbaker (Prime Minister): The Prime Minister is not holding the report of that royal commission, nor has he received it.

PIPE LINES

POSSIBLE CONSTRUCTION OF OIL LINE TO MONTREAL

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Can the Prime Minister say whether any decision has been reached by the government concerning the construction of a pipe line to Montreal?

Right Hon. J. G. Diefenbaker (Prime Minister): That, as the hon. gentleman knows, is a matter of government policy, and when and if the government has an announcement to make it will be made in the house.

TRANS-CANADA HIGHWAY

REQUEST FOR INCLUSION OF HIGHWAY IN BRITISH COLUMBIA

On the orders of the day:

Mr. Frank Howard (Skeena): I wish to direct a question to the Minister of Public Works. Perhaps it could appear in *Hansard* and be taken as notice, or answered by the acting minister. Has the minister received a communication by telegram from the minister of highways of British Columbia, Mr. Gaglardi, requesting that the section of highway on Vancouver island from Nanaimo north to Port Hardy be declared as coming under the Trans-Canada Highway Act and, if so, what consideration is being given to this request.

Hon. J. A. MacLean (Acting Minister of Public Works): I will bring the question to the attention of the minister, and he will advise the hon. member at the first opportunity.

[Mr. Starr.]

INDUSTRY

SHIPBUILDING—INQUIRY AS TO FEDERAL ASSISTANCE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Minister of Transport whether he expects to be in a position before the end of the month to announce the government's proposals for aiding the shipbuilding industry in view of the urgency of getting shipbuilding started again.

Hon. Leon Balcer (Minister of Transport): I have already answered that question a couple of times and, as I have said, this is a matter of government policy. When there is an announcement it will be made at the proper time in the house.

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF STUDENTS ENGAGED IN BAN THE BOMB ACTIVITIES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Minister of Justice whether he would comment on the charges given much coverage in the press that the R.C.M.P. are checking on the background of high school students active in ban the bomb movements.

Hon. E. D. Fulton (Minister of Justice): I have not seen much coverage of that question in the press.

Mr. Fisher: Has the minister not seen the stories in the Montreal *Star*, the Toronto *Star* and the Toronto *Telegram* of yesterday expressing the reaction of one father who is complaining about the R.C.M.P. questioning his daughter, who has been active in the ban the bomb movement in Montreal?

Mr. Fulton: No. If the hon. gentleman cares to bring an individual complaint to my attention it will be investigated.

OLD AGE SECURITY

REPORT OF DR. CLARK—INQUIRY AS TO GOVERNMENT STUDY

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to ask the Minister of National Health and Welfare whether he has yet completed his study of the Clark report, which deals with the old age security contributory system in the United States and, if he has, whether he expects to make an announcement in this house before May 29 next.

Hon. J. W. Monteith (Minister of National Health and Welfare): As I have said many times, I have been studying this report very

carefully. My department and other departments concerned have also been studying it. As to any announcement, that would, of course, be made in the ordinary way on the floor of the house after a decision had been reached.

FISHERIES

INQUIRY AS TO CONSISTENCY OF AMENDING BILL AND BILL OF RIGHTS

On the orders of the day:

Mr. Frank Howard (Skeena): I wonder if I might ask the Minister of Justice whether he has had an opportunity to examine Bill No. C-76, in the name of the hon. member for Burin-Burgeo, to see whether any of its provisions are inconsistent with the bill of rights.

Hon. E. D. Fulton (Minister of Justice): That matter was discussed when the bill to amend the Fisheries Act was before the house, and I have nothing to add to what I had to say then.

SUPPLY

The house in committee of supply, Mr. Chown in the chair.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

National parks branch—

283. Branch administration, national parks and historic sites and monuments, $268,584.

Mr. Winch: Vote No. 283 has to do with the administration of the national parks branch, and includes the national parks and historic sites and monuments sections. I should like to speak for a few minutes on the aspect of historic sites and monuments. In this house in the past I have always given every support I possibly could to the establishment and maintenance of historic sites and monuments. I have also expressed the view that we are not paying sufficient attention to this question, and that we are not spending sufficient money on it. I have expressed my belief that this section does not have sufficient personnel to be able to devote sufficient care to a matter which is important now and which will be increasingly important in the years ahead with the development of Canada.

In the past I have spoken in generalities in support of the work of this section of the national parks branch, but this afternoon I should like to do something which I have not done before and particularize on a matter which is of great concern to myself and to my constituency. I should like to ask the minister and the departmental officials in charge of this branch to give consideration to the establishment of an historic site in

Vancouver East. I am certain that all hon. members will realize that Vancouver is the largest city in western Canada and the third largest city in Canada and that, as a port on the Pacific coast, it is the gateway to the Pacific. As development takes place, there is no question at all that Vancouver, important as it is now to the Canadian economy, will grow in importance.

I realize that the officials of the national historic sites and monuments board are interested in the development of sites of national interest, but I suggest that no site is of interest only in a national respect but must also be of interest to provincial and local authorities. I understand that attention has been drawn to a particular historic site in Vancouver, and it happens that the site to which I have reference is situated in the constituency of Vancouver East. This site is in the northeastern section of my riding and by the grace of the fates, or by the grace of God, it is the most important historic site on the Pacific coast.

I refer to a five acre plot of land which is now being used as pasture and as a playground for children. This area of land has not been desecrated by the development of industry, the establishment of buildings, or the expansion of the exhibition board in Vancouver. The city of Vancouver began its growth on this five acre site in the northeastern section of Vancouver East. The first government administration was originally located on this site, as well as the first post office and the first customs collection office.

Perhaps I could take a few moments to give the historic background of this area and its importance not only to the city of Vancouver and the province of British Columbia but to the whole of Canada. The area is bordered by Burrard inlet. The first settlement of what is now the city of Vancouver was in this area in 1869. In the same year Mr. O. M. Hocking built the first barn, established the first float, and saw the first bridge built over Burrard inlet from this site. In 1869 Mr. Hocking was the first customs collection officer on the Pacific coast, and in that same year the first post office on the Pacific coast was established in that same area. Also at that time the first telegraph system was started on the Pacific coast, known as the Brighton telegraph company. Mr. Hocking could perhaps be regarded as a squatter at that time, because it was not until a few years later that the first blocks of land were put up for sale. It was as a result of that sale that the first post office, first customs collection office, and the first hotel, the New Brighton, were established.

I think it is significant that during the establishment of all these firsts, to which I

have referred, this five acre area has not been desecrated or swallowed up by expansion or modern developments. I cannot conceive of this situation continuing very much longer unless speedy action is taken to recognize the significance of this as an historical site, and suggest that consideration be given to its development by the national authority, by the provincial authority and by the officials of the city of Vancouver itself.

I have been advised by that most fabulous man, Major J. S. Matthews, V.D., the Vancouver city archivist, that this matter has been brought to the attention of the federal department, and he feels convinced that if speedy action is taken by the authorities of the city, the province and the federal government in recognizing this area as an historic site, the citizens of Vancouver will be very interested and helpful in developing that five acre block by the reconstruction of the site as it existed in the years 1869 and 1886.

It is very fortunate that there are still in existence, and available, photographs of that area as it was in those years. I have in my hand at the moment a photograph which depicts the exact situation as it was in the years I have mentioned, so it would be quite possible to create an exact replica of the area. I am particularly interested in that site as it existed in 1886, when the first hotel on the Pacific coast was built, as well as the first post office and first customs office, as shown in this picture which I have in my hand.

The reason I am taking up the time of the committee is to bring this particular matter to the attention of the minister and to ask for early and speedy consideration of the acquisition and maintenance of this most historic site in western Canada in the northeast corner of my own constituency. I can assure the minister of the need for early action. I can also assure him that if he can give us any indication of interest in and support of this site by this branch of his department, the citizens of Vancouver in general and the citizens of the Vancouver East federal riding in particular will be glad to cooperate in any way they possibly can. I assure the minister that money will be forthcoming to establish a replica in that five acre area, which is now being used as a pasture and playground, of what was the situation in 1869 and 1886. I hope the minister can give me some assurance of his interest in this matter, and that speedy consideration will be given to the request of my constituents with respect to this historic site in the third largest city of Canada.

Mr. Mandziuk: Mr. Chairman, this is my first opportunity to congratulate the Minister of Northern Affairs and National Resources. The pleasure is all the deeper owing to the fact that his is my neighbouring constituency to the south.

I was very pleased to hear the remarks of the hon. member for Vancouver East, because I am on the same beam. I agree with everything he has said. Of course we rarely agree on other matters, but I have an historical site in the constituency of Marquette. We all know that all we have left is something to remind us of how our country was explored, how the great west was opened up to the fur trade and following that to agriculture. The west is dotted with historical sites. At some of them battles were fought with the natives. Other sites are the places where the fur trade and commerce played a great part in the development of that country.

It is pathetic, Mr. Chairman, to go in my constituency to a site which 130 years ago was the centre of the western fur trade—that was long before the settlers came—and find that all that can be seen there are sunken graves, a few stone markers, rotted crosses to mark the old cemetery where the whites and the natives were buried, and so on. You can still see very slight traces of the stone foundations and the broken up bake ovens; the lines of the stockade are still traceable.

The site I am referring to is old Fort Ellice, about which much has been written in the history of Manitoba. One hundred and thirty years ago—this was after the two rival fur trading companies had amalgamated—a fort was built five miles below the mouth of the Qu'Appelle river on the steep banks of the Assiniboine river. It was a stopping point on the cart trail between Winnipeg and Edmonton. The land belonged to the Assiniboine Indians. The purpose of the fort was to catch the Indian fur trappers and prevent them from going south to trade with the United States fur traders. Since it was on the Assiniboine, it was also a waterway from Winnipeg to the fort. At this fort 50 years ago there were many wagon trails. Trails of the Red river carts converged in various directions from Fort Ellice and to Fort Ellice, as do rail lines coming into Winnipeg. All that is left of that fort, Mr. Chairman, are just very few traces of what was once a great fur trading post.

In 1930 the municipality, with assistance from local municipalities, erected a beautiful cairn to mark the spot. It stands a few feet outside marks where the palisade once stood. The village of St. Lazare, which I am proud to say is inhabited mainly by French Canadians, is enterprising enough to have started rebuilding this fort by its own efforts. In due course I will tell the committee why. Last

year they cut poles to rebuild the stockade. They want to restore the buildings and establish a museum on the spot. Through their organized efforts they wish to preserve this historic gateway to Edmonton.

I might add, Mr. Chairman, that in 1936 the historic sites and monuments board looked into the matter of Fort Ellice but no action was taken. In September, 1960 the board's fur trade committee examined Fort Ellice together with other western fur trading sites, and placed it ninth in the order of importance. I should like to draw to the attention of the minister the opinion of my constituents and of the Canadian people to the effect that anything worth preserving is of sufficient importance that it cannot be graded up or down. It is either worth preserving or it is not. True, no battles were fought, no blood was shed at this particular fort, but a battle was fought against the elements, against nature; a battle was fought to blaze trails for the fur traders; a battle was fought to blaze trails for the settlers who subsequently came to this area.

Now the area is a thriving farming community. The local people for miles around can take pride in this old site. They are prepared to do as much as possible on their own. The people of this area feel sure, Mr. Chairman, that this department, under the able leadership of a man who knows this area and knows this constituency, will give assistance. We still have photographs and plans of the old fort. The people want to restore it so that future generations will know this is the spot to which the first white man came and laid claim to the western prairies. I hope the minister will take note of this particular site. My people are very much concerned about it. As a matter of fact, so far as historical sites are concerned this is the only request I have to make.

In closing, Mr. Chairman, I should like to direct a question, through you, to the minister concerning the highway through Riding Mountain national park. I do not know whether this subject should be dealt with under this item or under item 285.

Mr. Dinsdale: Either one.

Mr. Mandziuk: Then I shall deal with it under item 285.

Mr. McCleave: I have a few brief remarks with regard to what I described the other day as the shining jewel in the historical part of the empire of the Minister of Northern Affairs and National Resources. This concerns the Halifax citadel, easily the most popular historical site in Canada, at least from the standpoint of visitors.

I have two problems in relation thereto. First, there is some complaint that the noon gun now being fired from citadel hill, a gun which has been fired for well over a century, is now housed in a building which one editorial writer at least likens to an old barn. It is to be hoped that before the tourist season is upon us some steps can be taken to bring the gun out into the open. I can assure the minister that the men who handle this weapon in Halifax are quite accustomed to the elements and will not mind the two or three days of the year when some fog or rain may be about.

The other problem, sir, is that the gun being fired now is a rather modern weapon. There are in that area, I am told, several 24-pounders which were used back in 1812. It might be a fitting historical note if one of these old pieces were to be found and placed in operation. I commend both these problems to, I am sure, the sympathetic consideration of the minister.

Mr. Smith (Calgary South): I should like to say a word or two to the minister about national parks policy. If it should be in any way construed that in so doing I am saying something unkind to him, I hope that, he will understand I am suggesting that it is time to take a new look at our general policy for parks. I would like to make it clear that in no way should it be inferred that I am criticizing the officials who have the responsibility of administering the National Parks Act, who for the most part, as I am sure all hon. members agree, are a dedicated group of civil servants. They have a very difficult time in carrying out the administration of an act which I suggest in its concept is somewhat impractical and to some degree outdated.

I rise on this occasion because I do not think there is a greater number of individual problems brought to my attention, not just by the people within my own constituency but from many areas, than those which relate to the difficulties in respect of national parks and their administration. I want to say to the minister that I think we all appreciate the fact that he, perhaps more than any of the gentlemen who have held this office save his immediate predecessor, has shown a great deal of interest in improving the situation. It is because of this that I am taking advantage of this time to make suggestions to him.

May I first of all read very briefly the first principle of the National Parks Act, which states that the parks are hereby dedicated to the people of Canada for their benefit, education and enjoyment, subject to the provisions of this act and the regulations; and such

parks shall be so maintained and made use of as to leave them unimpaired for the enjoyment of future generations.

Now, in this rather colorful and interesting language we find the first difficulty. In fact this language produces a conflict between those people whom we might generally describe as conservationists, those people who would like to see the parks kept in their natural, raw state, and the large body of people who wish to use the parks for recreational purposes. I have a copy of a speech which the minister delivered at Jasper park, and he points out that the parks are, in fact, living museums of nature. Of course, we all agree with that statement. He went on further to say that they are to be maintained so as to leave them unimpaired for the enjoyment of future generations.

Having said this, he points out the great advantages of recreation, and then said that artificial recreational facilities cannot be permitted to develop to the point where they compete with the natural attractions that draw visitors to the parks. We certainly say amen to that. This statement however points out a contradiction which makes the administration of the parks extremely difficult for the officials, because how does one decide what is too much park development? Where do you draw the line? How do you write such a line of demarcation into legislation?

This, of course, is a never ending problem with which we are faced, and upon which the Crawford report comments. In fact the Crawford report states that all of us accept the fact there has to be some development. In the opening statement the report dealing with controls describes the element by which we determine how much is enough in terms of park development. This opening statement acknowledges:

> That if there are to be visitors to the parks, then the parks cannot remain as examples of completely unspoiled nature.

In other words if we are to use the parks, if we are to have people coming from many other areas, and thus benefit our tourist trade, then we have to expect some development. If we are going to encourage people to come into our parks, especially when they are competing with other areas for the tourist dollar, then we are going to have to provide facilities which will persuade them to come back again. If we are going to promote international ski competitors throughout the world to come, we are going to have to provide facilities. If we are going to ask people to come and bring their youngsters and enjoy the natural scenic beauty of the parks, then I suggest once again we are going to have to provide more facilities for these youngsters and for the adults themselves.

I am sure hon. members can recall an alleged statement of one of our colleagues to the effect that there is not very much for honeymooners to do in one particular park in Canada. I think basically his remark was correct. I am only sorry he put this one particular group of people in this category. I argue that we can provide a great many more facilities in terms of amusement without destroying the basic concept of the parks. It is because of this I am going to suggest how we might approach the problem.

I do not for a moment want any enthusiastic conservationist to jump up and suggest that I am going to argue that we turn the parks into Coney islands, that we clutter them up with too many facilities and too many bright lights or that we destroy the natural qualities. No, Mr. Chairman; I would oppose that procedure just as much as anyone else However, I suggest that the line must be drawn. I suggest that we might take one of two courses, either by zoning the park areas, and permit a program of orderly development, and then keep the balance of the parks in their natural state.

After all, we have 42,000 square miles of parks. That is a fairly substantial area. Many of the townsites could be still further improved without in any way destroying the natural qualities of the surrounding areas. In fact if you zone many of these parks—and the ones I am most familiar with are Banff and Lake Louise—you have natural geographical divisions in which these boundaries could be readily recognized, and you would not then have this conflict with the conservationist who wished to keep the outlying areas, as I have said, in their natural state. Let me say that I would then support the conversationist on this principle. In fact I would not even permit the extension of some of the developments that have taken place in many areas which could be kept in their native state, after we had established expanded recreational areas properly zoned.

I go back to the point I made initially, namely that in those areas which we have zoned for the development of townsites, I think we are being entirely too restrictive with regard to what is permitted, and the basis on which we are prepared to allow the construction of the particular facilities.

I suggest that there is a second alternative. The first one I mentioned is by a zoning principal. The second alternative is that we might be able to carry out a grading of parks themselves; that is to say, park A in a particular province could be termed a nature museum, as the minister has described. Park B could be developed for additional recreational facilities, but not to the extent where we are going to have vast

masses of people crawling all over the place and making it literally, as I have said previously, a Coney island, but still providing more facilities than we provide now. Perhaps there could be a further grade of parks. In this case we could have a clearly defined policy and not attempt to satisfy all sides of the argument because, I suggest, we are not now really satisfying any argument.

I raise this matter, Mr. Chairman, for an obvious reason. First of all I think we need to review our general concept of the park policy approach in terms of the way in which the act is written. More specifically, however, may I say this. This house is, of course, aware that Banff has been selected as the Canadian site to hold the 1968 winter games, and here we are going to have these conflicts brought into perspective when we ask the park officials to carry out a development program in order to assist us to secure the games, I am sure will offend the sensibilities of some of our officials who believe that the parks must be kept in their natural state, and we therefore have the conflict all over again.

I wish to say that we have had nothing but absolute co-operation from them up to this point, and perhaps my fears are not well founded. However, I am making this suggestion in order to avoid any possibility of difficulty. Surely we can recognize that in Banff, as an example, we already have invested some $96 million. If we are going to use that $96 million to the extent that the government of that day expected the return should be in relation to the people who would enjoy it. We must remember that these facilities, in terms of the amount I have mentioned, really are open for a season of only some three months in terms of even a quarter to half of their potential capacity, and that for the balance of the year the park is relatively vacant.

Our initial concept of bringing the games to Banff was to make Banff more than a one season proposition; to utilize the slopes and the facilities that were there to make it the outstanding winter attraction certainly of Canada if not of the North American continent. This does not mean that we need to deface to any extent what nature has made so beautiful in this area. What it in effect is asking is that we have from the parks officials and in particular from the minister some understanding of the difficulty we shall have if the present regulations continue. We shall necessarily be obliged to construct certain buildings. Obviously you are going to have to remove some trees in order to complete one or two of the jumps or downhill runs. All this is going to require a great deal of co-operation. For this reason I suggest that here is an opportunity for us to carry out one of the alternatives I have mentioned, either in terms of grading Banff as a national park or in zoning a particular area of it.

I would just close with this thought, Mr. Chairman. I have said I have every sympathy with those who wish to enjoy the vast areas that have been set aside in Canada for national parks. I myself, perhaps, would take the view of the conservationists more than the advantage that may come through the recreational facilities. But I see no conflict if the suggestion I have made is followed to any extent. If it is not followed, however, the present situation will continue; and as I suggested at the outset, I think the present situation really does not satisfy either argument.

Before taking my seat may I just say this to the minister. Through his parks department and through the Crawford report he has made a comprehensive examination of the relationship of the people within the parks area, the residents of the parks, to the government of Canada and to the people of Canada as a whole. I think for the most part the residents who live within the parks are not unhappy with the basic conclusions which Mr. Crawford reached, in which he states that they have never asked for any real form of self-government. It is recognized that the government of the day must have control over the vast sums of money spent by the federal treasury on the national parks. On the other hand there are two recommendations made suggesting a far closer liaison with the occupants of the park, and I think this is something on which we can still improve considerably.

I think in replying the minister might indicate to the committee what has been done in response to the suggestion that a line of communication be established between the elected bodies within the parks and the departmental officials carrying out the joint responsibilities; whether or not the conference suggested has been held; whether there has been collaboration on mutual problems; whether senior officials have visited the area, and so on; whether these recommendations suggested in the Crawford report have been carried out.

Finally I would ask, in terms of the whole problem, if when he replies the minister would be kind enough to indicate whether it is possible, in order to assist Banff in getting the 1968 Olympic games, to set up a committee to work with the Calgary Olympic organization so we could discuss many of the related problems we shall have prior to presenting the brief before the international Olympic board in 1963.

Mr. Pickersgill: Before the hon. gentleman takes his seat I wonder whether I could ask

him a question. Can the hon. gentleman elaborate at all on those incentives to honeymooners to which he referred at the beginning of his remarks?

Mr. Smith (Calgary South): I am sorry, but I did not hear the question. Will the hon. member for Bonavista-Twillingate repeat it?

Mr. Pickersgill: I asked whether the hon. gentleman would care to elaborate on those incentives for honeymooners in national parks to which he referred earlier.

Mr. Smith (Calgary South): Mr. Chairman, as has happened in the past, of course, the hon. member for Bonavista-Twillingate was not paying attention. I was quoting a remark made by one of our colleagues, and I think if the hon. member for Bonavista-Twillingate comes out to Banff national park he will understand something of the amenities that are there for all of us.

Mr. Herridge: Mr. Chairman, could I ask the hon. member a question. Is it not correct that he expanded fully on this theme in committee during consideration of the estimates of the tourist publicity bureau?

Mr. Smith (Calgary South): Mr. Chairman, if the question was whether I expanded on this matter before, the answer is no.

Mr. Muir (Lisgar): Mr. Chairman, the other day when I asked the Minister of Northern Affairs and National Resources to consider preserving the home of Nellie McClung in Manitou as a national historic site, the hon. member for Bonavista-Twillingate made what I consider a rather facetious remark. He said he was glad I had proposed the name of a prominent Liberal as a national memorial.

Mr. Pickersgill: That was sincere.

Mr. Muir (Lisgar): The hon. member says that was sincere. I agree, of course, that there have been some Liberals, however scarce, down through the years who merit national recognition. In proposing Nellie McClung's home as a national historic site I had no political motive in mind. As a result of this facetious interruption I failed to obtain an answer from the Minister of Northern Affairs and National Resources, and I ask that the minister give consideration to this proposal.

The Chairman: I must indicate to the hon. member that this question could be dealt with under item No. 285 later on.

Mr. Brunsden: Mr. Chairman, as an Albertan and a former Calgarian, and one who knows the park at Banff very intimately, I would like to associate myself with everything that has been said by the hon. member for Calgary South. I believe wholeheartedly that on the eastern slopes of the Rocky mountains we have the most magnificent scenery and the most magnificent natural advantages for all types of winter sports to be found in any part of the world.

Let me say this. I shall be brief, and I direct these remarks to the minister. There is, sir, a passing of time. We are moving from the man-hour days to the days of automation, and we are extremely anxious in our particular section of the province, which is the southeast corner of Alberta, to preserve some of the machines of yesterday, the tools of yesterday, the products of man-hours of yesterday, and compare these with those which are today produced by machines.

I respectfully suggest to the minister—and he will receive a formal request from our local agencies—that there should be created across this country, as there is in Saskatoon with respect to farm machinery, facilities for the preservation of the lore of yesterday, and the day before yesterday, in museums across the country. In our part of the province we have very, very great traditions. The words "Medicine Hat" mean the throwing of a hat by a medicine man across a river. That lore should be preserved. We have the lore of the early days of grain milling in Medicine Hat. We have the days of the very early rudimentary implements. We have the days of hand tools. Today these things are passing.

Young people of today—and there are many of them in the galleries—will never know of these things unless we preserve them. I suggest that museums across the country—I am speaking particularly of my own area—would be of great benefit for the preservation of the history of Canada 50 years from now.

Mr. Jones: Mr. Chairman, I think it would be of considerable interest to the people of Saskatchewan if the minister, when he replies would outline the general developments which are taking place at Waskesiu park and which have already taken place since last year's estimates were considered, and would also bring the public up to date on the developments at Emma lake following the completion of the dam there.

During the course of the summer we hope the minister will be able to visit Waskesiu. A great many Saskatoon people go to Waskesiu, as do people from other parts of Saskatchewan, and they regard it almost as their park. I am sure if the minister visited this park and talked to the people on the park grounds they would be very pleased to tell him of their problems, their plans, their hopes for the

future development of this major park in Saskatchewan. I am sure the minister would find it very pleasant and delightful to walk around and meet the people there. He would get to know their problems in this way. I hope when the minister makes his reply he will be able to include within his remarks an acceptance of this invitation made on behalf of the people of Saskatchewan.

Mr. Bigg: Mr. Chairman, at this point in the discussion of the administration of the parks I should also like to associate myself with the remarks of the hon. member for Calgary South who said that a review of the National Parks Act is long over due. The Wood Buffalo national park is about 90 per cent within my constituency of Athabasca. When it comes to developing timber and prospecting in the Wood Buffalo park, because of the regulations in the act the minister's department is unable to take a realistic approach to matters affecting that park. These regulations require changes to make orderly development possible.

I am very pleased to see that appropriations have been made for putting a road in there, but that subject will come up in another debate. Under the administration item I think I am on safe ground in mentioning the hiring of summer labour. At this time, when there are literally thousands of high school and university students coming out of school and seeking employment, it is going to be very hard to place them in jobs unless we can expand several of our government departments in order to handle this type of labour. Most of these young people are high in intelligence and book learning but they lack experience in any of the skilled trades. By working in the parks they could improve their health, travel across the country and get to know it, get out into the fresh air, meet young people from other parts of Canada, and earn a few dollars to help them get through school and, after getting through school, to university. Today the family income is strained. Taxes are high and employment is relatively low. These young people, not wishing to be a burden on their families, are often forced to leave school, and then they just add to the unskilled labour force.

I implore the minister to use all his influence with the government to obtain a much larger appropriation for summer labour. I suggest that perhaps his department should co-operate with the provincial departments of health and the provincial education authorities to put summer employment on some sort of a merit basis so high school and university students could get an opportunity to work in our parks and on historic sites. If they are short of work in these parks we could undertake such projects as beautifying the right of way along the trans-Canada highway and improving the right of way along the Canadian National Railways.

If this work does not come directly under the minister's department I suggest that suitable arrangements could be made, because today we require close liaison between all departments of government. I should like to see the minister call in his colleagues the Minister of Labour, the minister of health and the Minister of Transport to find out what work has to be done in connection with these other departments. I know the whole country would be pleased to see these young people go to work as soon as they are out of school and earn the dollars which are greatly needed to help them this fall.

Mr. Payne: I should like to pass along through the hon. member for Calgary South congratulations and best wishes from the people of the Garibaldi area on the recent honour conferred on Banff national park in being chosen as Canada's candidate for an Olympic site. We wish them every success. We know full well that the hospitality of Calgary and Banff will be developed to its highest point. It is a hospitality which is already widely renowned throughout our land. We trust we may join with them in attending the Olympic winter games when they occur. We are sure this will be a fitting event to cap the celebration of Canada's centennial year. If assistance is required, we would like to offer it in any way we can.

Speaking more specifically of that beautiful coastal and mountain region known as the Garibaldi area in my riding—perhaps it is now even better known as a result of its recent competition for selection as a winter Olympic site—there are a few words, maybe words of suggestion, that I might be permitted to pass along to the minister at this time. As we are well aware, the area to which I have referred is provincial crown land and is held by the government of British Columbia as a forestry reserve. Frankly, we from the Garibaldi region together, I think, with a high proportion of those from the lower mainland of British Columbia, feel the time has come when the shadow boxing, the sparring and certain of the other interesting but futile experiences of the past could well be forgotten. The time has come when another approach should be made by the minister and his department to the government of British Columbia in a manner offering full co-operation.

The area as now delineated, known as Garibaldi park, includes much land which does

not fit the requirements for park development; a rather large section is a valuable forestry reserve which should best be used in the commercial operations of forestry. I feel that a broader view, an attitude of give and take, would do a great deal to make the utility and beauty of Garibaldi park available to the public of Canada and to the vast numbers of United States tourists who visit the Pacific coast region during both winter and summer months.

One of the first suggestions I would make is that a study be undertaken of the area involved, including those great reaches which stretch into the riding of my colleague the hon. member for Fraser Valley, to see whether these might be returned to the province for use in the forest industry. A little give and take right now on such matters as park boundaries could bring into being a practical, long range development which would do much to meet the needs of the congested lower mainland and contribute in a major way to earning dollars through the tourist industry.

There is one other point I should like to make with respect to Garibaldi park. Only on Canada's Pacific coast are the people of this nation denied the facilities of a national park. I think this is something which might well be kept in mind. I plead again with the minister, and I plead likewise with the officials of the government of British Columbia, to re-enter negotiations in connection with the development of Garibaldi park as a co-operative effort, recognizing the need and usefulness of developing this great alpine area.

Before I resume my seat I should like to ask the minister whether in his reply he would care to comment on certain observations made by his predecessor before the committee on mines, forests and waters two years ago, when the present Minister of Agriculture indicated that studies were under way to bring into being a new program designed for the recreational development of certain areas such as the one I am now discussing. The thought developed at that time, before the committee was that certain limitations existed in the National Parks Act which the minister felt did not entirely meet the needs of development not only in the area of Garibaldi but in other areas of Canada as well.

In winding up my remarks I would do two things. I would ask the minister to say something respecting the progress of discussions regarding the creation and development of these recreational areas in Canada. Second, I should like to repeat the request, supported, I am sure, by people throughout the lower mainland of British Columbia, that another approach be made to the government of the province of British Columbia in a spirit of co-operation, in a final effort to bring to Canada and, certainly, to the people of my province the fruits and benefits of Garibaldi park, which is so badly needed at this time.

Mr. Stewart: I have no intention at this time of holding up the passage of the minister's estimates but I think I would be very remiss if I did not bring to the attention of the minister and of this committee a need which arises in my constituency.

I wish first of all to congratulate the minister on his appointment. This has been my first opportunity of doing so. Through you, Mr. Chairman, I should like to say to him that he brings to his post integrity, honesty and a vision of Canada as it might be and should be in the future. I think the people of Canada can be justly proud of the contribution he has made, and I am sure we all look forward with great assurance to his making a still greater contribution.

We have heard from the far east and the far west as well as from the middle west about national parks and historic sites. If antiquity lends any priority, I should like to tell the hon. members of this house that on a little island in the St. Croix river, in the year 1604, before the west was even heard of or known, Champlain and a small group of hardy settlers spent their first winter in this country, and then moved on to Annapolis Royal to establish the first white settlement on the North American continent. This little island in the river which forms the boundary line between the province of New Brunswick and the great American republic to the south is called Docket's island. It became very important when our good friends to the south attempted later to establish that the "island" in the river mentioned in the old treaty referred to the St. John river and not the St. Croix. However, the discovery of human bones on Docket's island, left from Champlain's voyage, established for all time that the boundary river referred to in the original treaty was the St. Croix. That area has had very important historical significance in the development of the maritime area.

This government has also seen fit to co-operate with the government of the province of New Brunswick in the building of a bridge connecting the state of Maine with the island of Campobello, which will bring an influx of residents and tourists to the area. There is also, in various stages of development, an investigation into the Passamaquoddy development project. I should like to refer the minister particularly to the fact that on this island of Campobello was one of the first settled areas in the maritimes, and the home of the late Franklin Delano Roosevelt

is located there. I am sure all hon. members will readily recall the part that late president played during the hectic days of world war II. I feel, as I am sure all my constituents do, that the acquisition and development of this home and the formation of an historical site there would be a great attraction for tourists to the southwestern part of New Brunswick.

I commend these matters to the attention of the minister, realizing that he is anxious to develop all parts of Canada, but would assure him that in my constituency we have one of the most important locations for the development of an historical site which, if developed, would serve as an historical monument for all time.

Mr. Broome: Mr. Chairman, I would like to lend my support to the remarks of the hon. member for Coast-Capilano regarding the advantage which would accrue from the establishment of a national park on the Pacific coast. I remind the minister that this is the only area in Canada where there is not a national park. I believe we should have one there.

I particularly draw the minister's attention to certain matters regarding the development of national historic sites. This subject occupies some 12 lines in the annual report of this branch, but it seems to me that perhaps a bit more emphasis should be given to the development of these historic sites. For instance, a bridge is being built over the Fraser canyon at Alexandria, to be called the Alexandria bridge. The federal government is contributing 90 per cent of the cost of constructing this bridge. At the west end of the old bridge there is a stone cairn erected to the memory of the royal engineers who built the Cariboo road. Many times I have seen tourists stop to read the inscription on this cairn. I am wondering whether, in the development of the new bridge, this cairn will be left to disintegrate at its present location.

I suggest that the preservation of historic sites must be a responsibility of the federal government, although I am not denying that this is the responsibility of governments at all levels as well.

Mr. Chairman, I have in my hand a full page advertisement which appeared in the Montreal *Gazette* of May 5, 1961 and I would like to read the article appearing there under the heading "Renaissance at Recollet". That article reads as follows:

> The new Toronto-Dominion bank building, rising at the corner of St. James and McGill streets, has its foundations deep in the historical soil of old Montreal.
>
> Facing on St. James street and reaching back along McGill to Notre Dame street, the building occupies a site within the ancient limits of "the city within the walls".
>
> The Recollet gate, which was the western gateway to Montreal, stood where Notre Dame and McGill streets now join. This was the gateway of the explorers, the missionaries, the soldiers, the traders. It was the gateway to history.
>
> The gate, and the monastery that gave it its name, have long since been swallowed by time and progress.

Progress is represented by great rectangular buildings of glass and aluminum and, while they are necessary, it is my opinion that steps should be taken to protect anything which is of value in an historical or traditional sense. There exists in Vancouver an old vessel named the *St. Roch*, which is rotting because its maintenance is beyond the financial capacity of the city. The city did build a maritime museum as a centennial project, and it was suggested that the *St. Roch* should be part of that museum. I am wondering whether the *St. Roch* is an important part of our national fabric. If so, should one set a price on this history?

It seems to me there is room, within the field this branch of the department occupies, for expansion and for greater and wider thinking directed toward the preservation of those historic items of importance to Canada. I suggest that the minister and the officials of his department are the custodians and caretakers of these historic items and sites for our future generations, and that if an historic item is destroyed it can never be replaced no matter how much money is spent in the attempt.

I suggest, therefore, that his officials give consideration to preserving the *St. Roch* as an historic vessel, occupying a place in our history, in the same way that the British people have done in respect to Nelson's flagship. I do not suggest that the *St. Roch* occupies a similar position of importance, but when viewed within the framework of the relatively short length of this nation's history, this vessel has played an historic part in the development of the north and surely should be considered as such and perpetuated for generations to come.

(Translation):

Mr. Ricard: Mr. Chairman, as you know, I have the honour of representing in this house the riding where you were born. That is why I am sure you will welcome my remarks, but I shall be brief.

You and I have learned, from our earliest childhood, the glorious feats of arms of our ancestors in the St. Hyacinthe area during the troubles of 1837.

We have learned too that they took an active part in the development of French

civilization in Canada. You and I, as well as all those who had the opportunity of studying Canadian history, have learned the full meaning of the word native land, and we have learned to love our country.

In French Canada, gallant men have given their lives because they believed in their rights. Suffice it to recall a few names: Nelson, Chenier, Papineau, and many others who have contributed to reveal the valour of the French Canadian race.

During the years 1837 and 1838, troubles temporarily spread discord between the two races which make up Canada today. Never has there been as many people as there are today of our racial allegiance, who appreciate responsible government.

Alas, no trace of these glorious feats of arms performed by these great Canadians remains in the villages of Saint-Denis, Saint-Charles, Saint-Antoine, Saint-Marc and Saint-Eustache.

I would therefore ask the minister to have at least a monument erected in their honour to commemorate their patriotism and show future generations that it is worthwhile to have faith in one's convictions.

I am thinking at the moment, Mr. Chairman, of the coming generations. It is essential that they be taught that any set of values must be based on firm beliefs.

I hope that the minister will pay particular attention to my suggestion.

Together with the people I have the honour to represent here, I will be grateful to him to commemorate in stone the achievements of our ancestors; future generations will then have a further reason to love their country and to strive for good.

(Text):

Mr. Taylor: Mr. Chairman, the hon. member for Vancouver South spoke for a few moments about the *St. Roch*. I should like to point out that this very famous vessel is berthed in my area. I hope a way will be found whereby that vessel can be saved. It needs extensive repairs, as has been pointed out. I understand that shortly the city of Vancouver will request the federal government to join with the city and perhaps with the province in some arrangement to share the cost. Certainly that vessel must not be destroyed, and must not be allowed to rot. It is just too famous a vessel to meet that fate. It is named after a Quebec town. It has the word "Ottawa" written on the bow and on the stern, and the classic letters "R.C.M.P." at various places.

I should like to turn for a few minutes to the matter of the national parks. First of all, I must indicate at the start just how disappointed we were to find that the coast area was not chosen as the Canadian site for the winter Olympics of 1968. We in that area cannot hide that disappointment, because we did everything within our power to bring to the attention of the Canadian Olympic Association the great advantages of developing either Manning or Garibaldi park. We look forward now to giving strong support to the Calgary and Banff entry. We feel sure that excellent committee will begin to set the stage for the finest winter Olympics ever held.

I listened with a great deal of interest to what the hon. member for Calgary South had to say. I share his views, and I appreciate the problems to which he has referred. It has been most rewarding for the Garibaldi association to kind of square off with the very healthy organization at Calgary. The hon. member for Calgary South always seems to back a winning horse. We found the competition most keen, but it was exceedingly healthy. Therefore we look forward to visiting the Banff area once development takes place there.

This of course gives rise to another problem which was referred to by the hon. member for Calgary South. There must be strong co-operation by the parks department. My family was in that area at Christmas time. We found, for example, that trees could not be cut at the base of the sedan chair lift because apparently the park officials did not want the public to know that there was in fact a chair lift in that area. We stayed at the Post hotel, which does lack some facilities of a first-class hotel. I do not think we are ever going to be able to get United States tourists to come to that area unless we come up with first class hotels and motels in that locality.

I do not in any way wish to urge the authorities to serve liquor in those hotels, but I simply say that today's tourists do seem to want to be able to buy liquor, and at the present time you cannot buy a drink at the Post hotel. I would ask the minister through you, Mr. Chairman, to have his officials look into the matter, because we in the coast area are frankly sick and tired of being obliged to go to United States resorts, particularly when in British Columbia and Alberta we have some of the finest ski areas in the world. So we urge that the officials of the minister's department look into these matters carefully and pay particular attention to what I thought was a most reasonable suggestion concerning the zoning of park areas in order that the conservationists may be happy, and those who want to have a place of recreation can be satisfied. I felt that was one of the really fine suggestions made during this debate this afternoon.

I was at Squaw Valley, Mr. Chairman. I thought the show was a remarkable one. It was a thrilling sight to see the representatives of the nations of the world gathered in that area, an area which had been developed within a period of four years. Reports indicate now that Squaw Valley will be enlarged. The latest report concludes by saying that all people agree on one thing more, that Squaw Valley's future is bright. The report indicates that dormitories are being operated and already this winter have been completely filled during the week ends. Under another lease agreement the ice skating arena has been in almost constant public use since the closing of the games. The Olympic centre cafeteria and recreation hall is now open to the visiting public for meals and evening dancing.

Our position, Mr. Chairman, is that we from the coast area are now supporting the Banff and Calgary group to the utmost. As I have indicated before, we want to see a magnificent development there, an area which will entice all the people from the coast and from the states of Oregon, California, Washington and Colorado to come for a visit. We would like to feel that the Canadian Pacific will advertise in the Vancouver newspapers to encourage the young people to go up there. We would like to feel that the Canadian Pacific will provide special rates to the young people in order that they can get there. We would like to feel that, with the co-operation of the parks department, dormitories may be built in order that these young people can ski in the magnificent area at a moderate cost. We feel that all this is possible if there is a new policy adopted by the minister's department in respect of the development of recreational areas in the park.

I read with a great deal of interest a report by Mr. Jack McDowall, a copy of which appeared in one of the newspapers published in the Banff area. Mr. McDowall said this:

> Now it must surely be evident that the present arrangement of the western parks is satisfying no one. The conservationists are dissatisfied because primeval nature is not being preserved. The tourist industry is being crippled, and resort operators in the parks are being maddened, by attempts to compromise with the conservationists. Commercial interests are annoyed because the main routes pass through the national parks, where there is difficulty in providing adequate service facilities. The skiers, in ever growing numbers, are becoming impatient at the lack of good Canadian ski resorts and are spending their dollars abroad. But, in fact, the National Parks Act gives the government plenty of power to rectify this situation.

When there are so many people in the lower mainland part of British Columbia interested in a fine development at Banff, we hope there will be a change of policy in order that there may be a proper development which will in turn satisfy all Canadians.

Then I wanted to refer briefly to an article which appeared in *Time* magazine, April 14, 1961, which quotes the Minister of Trade and Commerce. The minister is reported as saying:

> "I have skied in a number of places in Europe and Canada, but this is the finest skiing I have had anywhere," said Hees amiably. "It's ridiculous for Canadians to be going to Aspen, Sun Valley and Squaw Valley when they have skiing like this at their back door."

The important part of the article follows, where a member of the parks department is reported to have said:

> "Private interests naturally are always putting pressure on the national parks system. Hees was going along. He is quite uninformed. Draw a 200 mile circle around Banff, and see what population it takes in."

I say to you, Mr. Chairman, and through you to the minister that we will never be able to establish a proper winter Olympic site with that kind of attitude on the part of the parks department. The main burden of my remarks today is the hope, and it is the hope of all of us in the Vancouver area, that we do have the co-operation of the parks department in the staging of these winter events, and that they will be something of which Canadians will be proud.

I mentioned a few minutes ago that we were disappointed because we were not awarded the site in our area. The matter should not be dismissed at that point. I realize that we cannot be awarded a booby prize, but I hope the minister and his departmental officials will arrange an early meeting with the appropriate minister in British Columbia so we can settle this age old problem of the proper development of Garibaldi. I know that ever since the hon. member for Coast-Capilano came to the house he has been advocating the development of that area. I do hope the departmental officials will pay attention to what the hon. member has said, because he has suggested a reasonable compromise. I only hope that an early meeting can be brought about between the minister of northern affairs and the proper minister in the provincial cabinet.

I noticed a report in a Vancouver newspaper in November of 1960 which read as follows:

> Recreations minister Earle C. Westwood Tuesday promised to promote early action by the province to free Garibaldi park for federal development.

Soon after the Banff area was chosen as the Canadian site for the winter Olympics, an editorial writer in a Vancouver newspaper had this to say:

> The time is ripe for powerful Ottawa action to develop Garibaldi as a national park.

The most promising federal approach would seem to be to offer a specific development plan, saying for example how many dollars would be spent in the first five years of development.

Such a plan would make it difficult for the provincial government to go on evading, as it has for seven years, federal offers to take over Garibaldi. Only last month provincial recreations minister Westwood said B.C. would never turn over Garibaldi to Ottawa without a definite federal development plan.

In conclusion, Mr. Chairman, may I say that the minister and the members of the house must know of the tremendous effort made by the Garibaldi Olympic development association to have the site of the winter Olympics established in the coast area. I hope that enthusiasm which is there will be harnessed and that we can get on with the early development of this park. Summer is approaching, and of course it will be necessary, now that the snow is gone, to get the area cleared in order that we may get skiers up into the Garibaldi area next year. It is for this reason that I strongly urge the minister to have an early meeting with the provincial authorities.

Mr. Regnier: I was speaking the other day in connection with the oldest building we have in western Canada, in the constituency of St. Boniface. I have not heard any comment from the minister in regard to this project. I know it has been studied for many years now by his department. I think the constituents of St. Boniface would now like to have some assurance with regard to the maintenance of this building as a museum.

The Chairman: May I indicate to hon. members who have any comments or remarks to make in connection with historic sites and monuments that they might defer them until we reach items 284 and 285. We are at present on item 283, which deals with the national parks branch administration.

Mr. Regnier: I have now said all I wanted to say.

The Chairman: I well realize that fact. I was not directing my remarks to the hon. member but rather to some other prospective speakers.

Mr. McFarlane: I just want to add a few words to what has already been said here this afternoon. In my own area we have parts of three national parks. I refer to Glacier national park, Yoho national park, and Kootenay national park. In recent years we have had a great deal of development going on in the parks. However, we feel that this development can be accelerated by good access roads to the area. Over a period of years pressure has been brought on various governments to improve the access roads into these parks. I should like to recommend to the minister that he give consideration to including a road from Kindersley through my own area of Cranbrook to Kimberley and through the lake Windermere valley to the three parks I have mentioned.

I also suggest that the minister should give some consideration to creating some new parks in British Columbia so we may decentralize some of our present tourist industry. I believe that in many of our parks the accommodations are crowded during the summer months and they are unable to handle all the tourist traffic that is coming into the various segregated areas. I note by the estimates that endless improvements have been made to 16 parks in Canada. However, no mention has been made of any development for the future.

I suggest to the minister that some consideration be given to developing the Cedar valley area in the Fernie district. As I believe you will know, Mr. Chairman, this area put in for the Olympic games, but we were unsuccessful in obtaining them for the district. I have had considerable correspondence with the minister. In fact I have here a letter to the minister from our parks association in that area requesting that this consideration be given. I should just like to quote part of the letter addressed to Hon. Walter Dinsdale, Minister of Northern Affairs and National Resources:

—we have equally as attractive an area at Fernie without any such facilities. We are presently beginning to get a campaign going to get a new swimming pool, and hope to hear more about a recreational grant to be given by the province of British Columbia—

That is for the development of this area. Such a development will have a twofold effect on the district of East Kootenay. First it will help to stabilize the economy of the Fernie area. As you are aware, Mr. Chairman, the coal mines in the district closed down some two years ago. Since that time we have followed all leads to bring industry there to have the area developed in order to stabilize the economy.

Second, the area has a wonderful outlook for development as a park and conservation area. In addition, many areas now included in your national parks have reached the saturation point, as is the case in parts of the three national parks which are in my own area. I realize that extension in some parts has reached the limit, and I believe our only salvation is to create more parks in British Columbia to help the economy of all parts of the province, and to assist in bringing tourists to the southern section of the province.

There is just one more point I wish to bring to the attention of the minister. I wrote to the minister some time ago about establishing forestry camps for students during the

summer months. This is a situation that I think should receive some consideration from the minister. His reply read in part as follows:

No special forestry camps have been operated by the national parks service since 1939, when a number of such camps were established in the parks under the national forestry program. The national parks service, however, does employ students over 18 years of age on various forestry, trail construction and maintenance, and engineering projects in the national parks each summer. The number of students employed on such work is not fixed but varies with the requirements for maintenance and development work in the individual parks in any year.

I would ask the minister to give consideration first to reducing the age limit from 18 years to 17 years. Out in western Canada our students grow up very quickly, and a lad 17 years old is just as capable of doing a man's work as a lad 18 or 19 years old. I therefore feel we have a point there. It would certainly be apreciated by me if the minister would give our 17-year olds consideration. I noticed a number of students in the gallery today. There is no doubt that a good many students will be looking forward to this coming summer. I think it would be a wonderful move on the part of the parks department to create camps that would get the boys out of the city in the summer months and give them a good healthy education with regard to the administration and the upkeep of our national parks.

There is just one other point. I wish to express my congratulations to the Calgary Olympic development association on obtaining the Olympic games, or at least obtaining consideration, because I believe the final decision will not be made until 1963. As far as the Canadian Olympic committee is concerned, Calgary has been approved as the site for the Olympic games, and I should like to offer my congratulations. I am sure all the residents of East Kootenay would be more than pleased to contribute their share in order to make the Olympic games a success in the event that they should come to this area.

Mr. Clancy: I should like to take a few minutes to speak on historic sites under item 283. Personally I think our historic sites and monuments in Canada are a national disgrace. You flash by on the highway and you see a rather rustic sign, two posts and two garbage cans, and when you pull in from the highway you cannot read the sign anyway.

However, I should like to get back to a local problem, and I wish to speak about old Fort Pelly. In these remarks I should like to associate myself with the hon. member for Mackenzie. Two years ago old Fort Pelly was recognized as an historic monument, but that was where it ended. I should like to point out to the committee that old Fort Pelly was the boundary line between the Hudson's Bay Company on the upper Assiniboine and the Northwest Company from Montreal. Hendry first surveyed the site. The important thing about this is that it is an historic site and this is history in the making. This is a local problem, but it is history in the making. I would not claim there is anyone alive today who remembers the first log being laid at old Fort Pelly, but in the upper Assiniboine there are men who were born in that area, and there are a few left who opened up that country. I think this site is worthy of being preserved as a national monument.

I was very interested last year to learn that some of these historic sites were being preserved and restored under the winter works program. It am sure the local associations in this area and in the province would be quite willing to supply a great deal of the material if a bit of a lead were given by the particular section of the department that these matters come under. I would be willing to hazard the guess that it would not cost the federal government too much money. Just a little lead is needed, so why not make some of these projects part of the winter works program? I am sure the materials could be gathered locally and would be donated freely by the local people. It is just a matter of hiring and paying wages to a few men during the winter. We are losing a chance to pick up personal knowledge, because the day is fast approaching when these men will all be dead.

We have a Canada Council which spends millions of dollars bringing European culture to this country. I appreciate that, having been born on the prairies, where we had none. But I do think a little bit of money could be spent in preserving a portion of our own Canadian history.

Mr. Winch: Mr. Chairman, before the minister replies to all the advice that has been given him and all the questions that have been put to him I should like—I hope, without repetition—to add my words to those which have already been expressed by the hon. member for Vancouver-Burrard and the hon. member for Coast-Capilano on this matter of Garibaldi.

I have had an interest in the development of this area for some 30 years. I have spoken on it year after year in the British Columbia legislature and year after year in this House of Commons. Unfortunately we do not appear to be making any progress and I think the time has come for all the shilly-shallying between the federal government and the province to come to a halt, for something definite to be proposed on the development of Garibaldi.

I say this for very basic and fundamental reasons. I know that area. I have been over it by helicopter and I have hiked into it. I have spoken to authorities who understand the situation of that area, and I say without fear of honest contradiction that under planned development Garibaldi can be a year round recreational resort unparalleled anywhere on the North American continent. In the spring and early summer I have seen there the alpine flora and fauna which world botanists have told me cannot be found in this abundance anywhere else in North America. I know its lakes and terrain. We have already had a report on its potentialities as a winter resort.

Where is Garibaldi located: It is in an area which, with properly developed roads, is within one and a half or two hours of the lower mainland of Vancouver, which contains approximately one million of the population of British Columbia. It is within easy reach not only of that one million population in the lower mainland of British Columbia, in the Vancouver area, but it is within two to five hours' journey of two and a half million people in the United States just below our border. In the Pacific coast area of Washington, Oregon and British Columbia everybody has heard of Mount Baker but Mount Baker, known as it is and used as it is, cannot touch the potentialities of Garibaldi.

What is the situation at the present moment? There is already a road under construction which is completed on gravel and mostly on hard pavement, which within a few months will be a first-class road from Vancouver to Squamish. From Squamish the road distance is very short into Garibaldi. Then we have the potentiality of the town of Haney. There are first class highways from Vancouver to Haney tying in with the trans-Canada highway and with the main United States north and south highways. Haney is at the foot of Garibaldi. The approach is there and it will not take very much to go from Haney, as the access from the south, to Garibaldi, or from Squamish on the north-western end into Garibaldi. Here we have an area of Canada on our Pacific coast which is mighty important now and which is going to grow in importance as the economy of Canada develops and as we open up the Pacific coast.

There are already one million people living in the lower mainland of British Columbia, in Vancouver, and there are two and a half million people to the south of us; and right at our doorstep, I maintain, is the most magnificent potential all-round resort on the entire North American continent.

That is as it is now. Why has it not been developed? It is because it is owned in the crown's name by the province of British Columbia. It is a reserve for park purposes, and no government has yet done anything about it except make promises. We have no national park area whatsoever on the Pacific coast. Therefore I think we are entitled to ask for serious consideration to be given this matter by the minister and the government.

Why has it not been developed? I think I can speak with a little bit of authority here, having been the leader of the opposition in the British Columbia legislature for 12 years before I came to this House of Commons. I think it is because, in particular, of the present government we have in British Columbia who should be most severely damned and condemned for their attitude. They have not yet exercised any preparation or considered the approach of the federal government, and that is the stumbling block. It is not because the government of British Columbia does not recognize the potentiality. It is not because the federal government does not recognize the potentiality. It is not because the federal government is not prepared to take it over and develop it as a national park. It is because of the potentiality of the natural resources. What there may be of a mineral nature nobody knows because this is a crown reserve, but we do know that we have there some of the finest mature, virgin timber in all British Columbia. I have been told that its value is in the neighbourhood of $60 million. That is the information given to me; I have no personal knowledge.

I think the government of British Columbia is stalling with regard to this matter because if the federal government takes over the area it will be on the basis that the resources go to the federal government. The government of British Columbia wishes to retain an interest in the forest resources and in the potential mineral resources. I think it is a crying shame that in 1961 we should still be in a position where because of the rigid attitude adopted by both sides the lower mainland area of British Columbia is stymied and cannot receive the benefit of what, I say again, would be the finest all-round resort and recreational area on the entire North American continent.

I know something about the government of British Columbia, coming as I do, from that province. In fact, I know a great deal about it because I was the first leader of the opposition against the present premier. I know his stubbornness and his selfishness; I know how he operates through expediency. I think this question will not come to a head until the federal government puts the government of British Columbia on the spot. I urge the government to put them right on the spot. Make a definite offer to take over

Garibaldi park as a national park. Give them at least an outline of the development that the federal government intends to proceed with and reach an understanding, a compromise if you like, with the province in connection with the resource developments that might take place. I say this in all sincerity and from a knowledge of the government of British Columbia. I speak, also, from a knowledge of Garibaldi park and what it would mean to the million people who now live in the British Columbia mainland area and more than two million potential visitors who live south of the forty ninth parallel and who would welcome the opportunity of coming to Canada after the development of Garibaldi.

This business of negotiating back and forth and getting nowhere because each side accused the other of responsibility of no progress being made, has gone far enough. Somebody has got to take a major step and because I have no hope of Premier Bennett taking it I am going to ask the minister if he and his department have the courage, or —might I use another term—the vision to put something down in writing as a definite proposition and let us see whether we can move forward in connection with the development of the Garibaldi area.

Mr. Pickersgill: I should like to seek direction from the minister or from the Chair. I have one or two brief observations to make about sea birds, and I should like to know whether this is the correct item under which to make them or whether another item would be more appropriate.

Mr. Dinsdale: I think item 290 would be the appropriate item.

Mr. Smith (Calgary South): I wonder if I might say a word in respect to the number of members who have been kind enough to congratulate the Calgary Olympic development association on the award of the site for the Canadian bid for the 1963 games. I should like to thank those hon. members, and hon. members collectively, who have offered support, because if we are to be successful we shall certainly need co-operation from the entire country, not from a few limited people. So I thank each individual who has offered support, because I feel that with all this support we shall be successful in 1963 in obtaining the games.

Mr. Pickersgill: Before I make the few remarks I intend to make now, may I say that I think that hon. members of this committee might well take strong exception to being described as "limited people".

Would the minister, when he replies, give us the latest score on the battle of Stoney Creek in which his colleague the Minister of Citizenship and Immigration seems to be so persistently engaged?

Mr. McCleave: Before we leave this item, perhaps a voice from the east coast might be heard in commendation of the *St. Roch* which made a historic voyage around the northern half of the continent. One of the terminal stops on this amazing trip was Halifax.

Mr. Dinsdale: We have had an interesting presentation this afternoon concerning historic sites and national parks. It is encouraging as we approach the observation of Canada's centennial to find that at long last Canadians from one end of the country to another are becoming more aware than ever before that Canada has an illustrious history. Not long ago there would have been very little interest in the preservation of our historic sites. I think that in the past two hours we have heard representations on the subject from almost every area of Canada—individual members presenting their claims on behalf of their respective constituencies for the consideration of historic sites in their own areas—sites, places and locations connected with the history and development of this country.

Speaking generally, I think it is only appropriate that I should remind hon. members that the function of this department in regard to historic sites is to consider those locations which may be regarded as having national significance. For this purpose a historic sites and monuments board has been constituted over a number of years. It is made up of representative historians from each province to consider various proposals from the standpoint of their national historic significance and who recommend to the minister and to the government on that basis the marking and suitable recognition of those sites.

Theirs is not the only historical interest in Canada. I am made aware of this by letters which come in continually from local historical groups. Right across the nation we have local groups in various communities; they gather together local committees to mark and preserve historic sites which are of local interest. I think I can say that each provincial government is now moving into the area of recognition of historic sites which can be regarded as of purely provincial significance, and are proceeding to preserve these as localized historic areas.

That is all I intend to say by way of general reference to historic sites. I shall come to my remarks in respect to the specific recommendations which have been made in just a moment or two, but before that I should perhaps make a general statement concerning national parks.

This is another area in which the federal government has become increasingly active across the nation during recent years. Actually our national park program is one of the oldest government programs in this particular sphere, going back to the 1880's. A system of national parks has been developed down through the years, but up until world war II, development was not under particular pressure. Since the end of world war II however, with the advent of greater leisure time by reason of shorter working hours, and with the increasing mobility of the population by virtue of our improved highway systems resulting in a tremendously growing tourist industry, we have been placed in the position, in respect of our national parks system, where the pressure for development has been almost impossible to cope with. As an example of this I should perhaps mention the recorded attendance at two of our smaller parks. At the Cape Breton Highlands park in 1950, 107 campers attended. Last year, the number had increased to 24,400. This is an almost astronomical increase. At the Prince Edward Island park there were 183 campers in attendance in 1950, but in 1960 almost 30,000 campers attended. These tremendous increases have taken place in the short period of a decade.

Some reference was made this afternoon to national park policy. I should say it is quite true that national park policy has been under criticism from time to time in this house. It was my pleasure this week to meet my counterpart from the United States, secretary Udall, and we had discussions on the subject of national park development. I was interested to learn that very much the same difficulties and problems that we have in Canada are confronting those officials south of the border.

The hon. member for Calgary South pointed out the precise difficulties with which we are faced, when he made reference to the basic conflict in existing concepts in respect of national parks. National parks were originally developed to preserve wilderness areas in Canada, and to protect them from the incursions of urbanization.

The passage of time, increasing tourism, the challenge presented by increased leisure time, the growing use of parks, and the other influences to which I have referred, all have had a part in creating the great demand which now exists for the development of recreational parks. In the development of our national park system we have been faced with the limitations of the act, as a result of which it is not possible to meet all the rapidly growing demands for the establishment of recreational facilities within the framework of our existing national park program. I think we must reconsider our whole approach to this problem. Creative activity has taken place at lower levels of government. In some instances, municipalities have made moves to meet this growing demand for the establishment of recreational parks. Some of the provincial governments have established a system of park areas designed exclusively to meet the demand for recreational areas.

I do not often have the opportunity to boast about my own province, but, by way of passing reference, I should like to indicate that the province of Manitoba has moved vigorously into this field in recent years, and already three major park areas have been set aside for this purpose. One such area is located north of the national park at Riding mountain in the Duck mountain area. This proposed park occupies a land area almost equal to that of our national park at Riding mountain. The terrain and topography, and facilities in terms of natural flora and fauna, are much the same as at Riding mountain park, but the park will be developed as a recreation park area rather than for the specific purpose of preserving it in its wilderness form. These are some ways by which the pressure on the national park development program can be relieved.

I realize that we have a special problem in the mountainous park areas such as at Banff and Jasper where permanent communities have been established without local forms of government, with the result that all matters pertaining to local government must be referred to the national parks department for consideration. This represents a very difficult, delicate and sensitive administrative problem. It was because of this that professor Crawford was assigned to study and make recommendations regarding the problems of local government in these park areas. There has been considerable discussion concerning the recommendations of the Crawford park report but a few of the non-controversial recommendations have already been implemented. I can assure the hon. member for Calgary South, as well as other hon. members who have spoken on this subject, that there will be no attempt to implement the more controversial aspects of that report without the closest possible consultation.

Mr. Winch: Mr. Chairman, could I ask the minister to address the microphone because, when he speaks directly to the member for Vancouver South, we in this corner, who are also interested in his remarks, are unable to hear.

Mr. Dinsdale: Thank you for that suggestion.

I have just said that some of the non-controversial recommendations contained in that report have already been implemented, but that the more controversial ones would not be implemented without very close consultation. One of the recommendations contained in this report refers to the establishment of advisory councils in local communities, and I should say that we are encouraging this in every possible way. As a matter of fact, various officials have met with these advisory boards during the past month for the purpose of establishing closer co-operation and co-ordination, in an attempt to keep open the channels of communication which are so necessary to proper understanding. The deputy minister has met with the advisory councils at both Jasper and Banff, and I believe the director of the parks branch attended meetings with the three advisory councils from Banff, Lake Louise, and Jasper quite recently. During my visits to the park I have had the opportunity of meeting two of the advisory councils. I shall be making a trip to western Canada during this summer and it will be my intention at that time to hold meetings with these local groups in an attempt to establish the closest possible co-operation.

Specific reference was made this afternoon to the selection of Banff as the most suitable site for the winter Olympic games. I want to add my congratulations to the hon. members who were so active on behalf of this site and at the same time also to pay my respects to those who were promoting the interest of other parks such as Garibaldi, Manning and the other park areas which have been referred to. I must say they were most aggressive and most reasonable in their presentations. They presented their cases as best they knew how and, the choice having been made, they have demonstrated here this afternoon that they are good losers and are drawing together to support Banff as the Canadian site for the Olympic games.

As I see it, Mr. Chairman, there is no basic conflict in what would be involved at Banff and the necessary development that will have to take place should Canada make the final hurdle and be chosen as the country sponsoring the games in 1968. Actually—and this shows long term planning at its best—in the backs of the minds of those who have had responsibility for park planning over the years this has always been conceived as a possibility. It was for this reason that the ski runs at Banff were built to Olympic specifications. It is also for this reason that the civic centre, the construction of which will get under way during the current year, was also designed to meet Olympic standards.

In summing up these brief observations, then, Mr. Chairman, I think I can say that we are aware of the problem. We are fully aware of the pressures for recreational services and facilities to meet the demands of our own people as well as of the tourist industry.

As to the best way of meeting the demands, we have no definitive suggestions or plans at the moment. The hon. member for Calgary South has suggested perhaps a zoning or a categorizing of parks, such as parks for recreational purposes, wilderness areas and so forth. This trend is going forward, particularly on the provincial level, as I have demonstrated, where provincial governments are moving in to meet the demands for recreational facilities. But I can say that a great deal of thought is being given to meeting the needs, and we shall be doing everything possible within the framework of our national park program to meet the growing demands on facilities of this kind.

Several hon. members made reference to Garibaldi and suggested that the national parks branch of the federal government might move in now and develop this site which is regarded as highly suitable for a national park development. I can only say, Mr. Chairman, it is two years since the offer was made by this government. One of the basic requirements for development of a new national park is that the provincial government make the approach and indicate that it is willing to make available a suitable area of land that meets all the requirements of a national park development and turn it over to the federal authority free of any encumbrances. I assure hon. members who have spoken very strongly on behalf of Garibaldi that we shall be happy to have such an approach from the provincial government; indeed, we have encouraged that approach. Unfortunately, there has been no reply to those representations.

Mr. Winch: No reply at all in two years?

Mr. Dinsdale: No reply at all in two years. I might add this positive word, Mr. Chairman. We are hoping that one of the useful results of the resources for tomorrow conference which will take place in Montreal next October will be a closer liaison between the federal and the provincial authorities on this whole subject of recreational needs. One of the categories which will come under discussion at the conference is the recreational resources area, and I am quite hopeful that as a result of the spirit of co-operation that has been generated in preparation of the conference we shall be able to come forward with a policy that will meet in a comprehensive

way the situation that has been outlined by so many hon. members with respect to park facilities.

Let me deal briefly with one or two specific matters that have been raised here today. Let me deal first of all with the Windemere park suggestion from the hon. member for Vancouver East. Windemere park has been under discussion by the branch. We had hoped it would be considered by the historic sites and monuments board in the meeting this May. Unfortunately, we have not received the necessary data from Major Matthews; therefore, consideration will have to be postponed until the next meeting of the board.

Mr. Winch: The necessary data could be handed over to you right now.

Mr. Dinsdale: Action cannot be taken until we get the information. Unfortunately, I am informed that that information has not been made available, and the board meets on May 23 with a very heavy agenda, as would be indicated by the many suggestions that have been made here this afternoon.

The hon. member for Marquette referred to Fort Ellice. It is close to my own district. I know it; it is one of a series of fur trade posts across the country. I might inform the hon. member that there are the names of 10 that have been presented to the historic sites and monuments board for consideration, and they will be considered on a priority basis. We are aware of their historic significance.

We have encouraging news for the hon. member for Halifax. I have been informed that a vintage cannon has been obtained. The problem remaining in resolving the little difficulty he mentioned is in assuring that the proper type of firing is carried out, which will be authentic, and at the same time assuring the safety factor. The problem is under consideration.

He will also be interested in knowing that we shall be unveiling the restored clock sometime during the maritime visit which will take place as soon as the house rises.

Mr. Pickersgill: Can the minister say whether it is a short gun or a long gun?

Mr. Dinsdale: Well, I think it is a compromise, as all good political solutions should be. I believe it is a compromise on that score.

I must apologize to the hon. member for Lisgar for not replying to his representations on behalf of the Nellie McClung home. Here is one of those historic sites that will have to be considered by the board. Whether it is of national significance or not I am not in a position to state, but I thank him for bringing it to the attention of the committee.

The hon. member for Medicine Hat spoke briefly on the subject of museums. Here is another area of rapidly expanding interest at the present time. He dealt with the matter of preserving agricultural implements from the historic past. I am happy to inform him that the Department of Agriculture has an interest in this matter. I am informed also that one of those agriculture museums will be opened in Alberta during the coming summer.

The hon. member for Saskatoon had some comments to make about Waskesiu, which is one of our fine prairies national parks. Perhaps I can just give him briefly information on one or two things which have taken place at the Waskesiu national park. There is a comprehensive program of redevelopment taking place at Waskesiu. Sewer and water facilities were installed last summer. There is a new camp ground and trailer camp under construction at the present time which will help to take the pressure off existing facilities. There is a major difficulty, I am informed, in the waterfront area because of the concentration of tents and camp facilities there. A sanitary difficulty has developed which will require some attention almost immediately to take the pressure off the waterfront area. We are moving forward with a limited relocation problem to deal with this sanitary problem.

In addition, we are establishing a new marina and boating area which will make it possible for boating enthusiasts, who are rapidly increasing in numbers, to have the necessary facilities for launching their boats. Then, a new park area is under development and we are constructing a road to Crean lake which will again, we hope, take the pressure off the main facilities. The length of this road is some nine miles and the cost is about $60,000 per mile.

The hon. member also referred to Emma lake. The Emma lake dam has been completed, and there will be an official opening ceremony during the current season. We pay our respects to the prairie farm rehabilitation administration which co-operated in this project.

The hon. member for Athabasca raised the question of Wood Buffalo national park and the mineral resources which may be contained therein. This is a subject upon which I can make no pronouncement at all this afternoon. If there were to be any change in the status of the park, of course it would have to be only as a result of discussions with the province of Alberta which, initially, turned this area over to the national parks program as a wilderness area.

The summer works program for students was an interesting suggestion, I believe made by the hon. member for Kootenay East as well. The hon. member for Charlotte gave

us some more historic facts about Champlain and the initial landings in Canada to add to our knowledge on this subject. He also made reference to the desirability of establishing Campobello as a national historic park. These are matters that will have to be taken under advisement by the historic sites and monuments board.

There was reference by several hon. members, including the hon. member for Vancouver-Kingsway and the hon. member for Vancouver-Burrard, to the boat *St. Roch*. I would merely like to say, in passing, that we have a genuine interest in the *St. Roch* which was turned over to the city of Vancouver at their request, I understand, for their anniversary celebrations. If the *St. Roch* is not being suitably preserved, certainly we would be happy to have representations on that score. The matter of maintenance is in the hands of the city of Vancouver. This is not an uncommon arrangement right across the country. Certain sites which have been designated as historic sites have been turned over to local communities for maintenance and for development.

The hon. member for St. Hyacinthe-Bagot referred to the historical significance of the area associated with the struggle of 1837. I would be inclined to agree that here is a historic site that might well be suitably marked. Certainly, 1837 was an important episode in Canada's development toward nationhood. I thank the hon. member for bringing it to our attention. The matter will be referred to the historic sites and monuments board in due course.

I believe I have almost completed the individual items, except to refer back to an item mentioned by the hon. member for Joliette-L'Assomption-Montcalm, namely the desirability of having suitable markings at L'Assomption college which was the alma mater of a distinguished Canadian prime minister, the Right Hon. Sir Wilfrid Laurier. In so far as the suitable commemoration of prime ministers of Canada is concerned, the practice in the past has been to mark some site in the nation's capital. Laurier House, for example, has been associated with the name of Sir Wilfrid Laurier. On the other hand, colleges at which these men have attended in their earlier days have been marked by groups who have a local interest in these particular associations. I might suggest to the hon. member that this would be a good project for the student body themselves, to find a method of suitably recognizing the fact that one of Canada's earlier prime ministers attended there as a student.

I must apologize, too, for having omitted a reply to the hon. member for St. Boniface in connection with his representations about the Grey Nuns hospital in the city of St. Boniface being suitably recognized. He indicated that I was aware of this problem, and that is quite true. I have had two meetings with a local committee on this matter. We have been negotiating with the government of Manitoba as well as metropolitan Winnipeg, which has expressed interest in this matter. We have expressed our desire to co-operate and I am sure the problem will be settled satisfactorily within a reasonably short time.

I should refer to one brief observation by the hon. member for Yorkton concerning the marking of historic sites along highways. I believe this pretty well exhausts all the points that have been raised in this regard. I would merely say that we are aware of some deficiencies in connection with these markings, but I would direct him to some of our more elaborate markings of historic sites where, for example, complete restoration has taken place. These are examples of the new program of marking historic sites.

I have just been reminded that there was some reference to Stoney Creek, which has been under consideration for some time by the historic sites and monuments branch. There was a meeting held on this subject last week, and a local committee has been formed to iron out all the difficulties at the local level. This is the sort of initiative we like to see, and when the local group has formulated its policy, we shall be very happy to consider representations from them.

Mr. Pickersgill: I think the minister forgot the point I raised about Fort Rodd. I asked him specifically when this question was first referred to the historic sites and monuments board, and when they made a decision.

Since the hon. member for Yorkton is temporarily out of the house, I should also remind the minister that the hon. member mentioned Fort Pelly in which a lot of us, the minister included, take a great deal of interest. It would perhaps be useful to know what is going to be done there.

Mr. Dinsdale: Yes, Mr. Chairman, Fort Pelly is one of those mounted police forts or barracks that is in the same category as Fort Ellice. This question is being reviewed by the board to consider its significance as a historic site. It is quite true the hon. member asked a specific question about Fort Rodd hill when the estimates were last under consideration. I have a report for him on this subject. Fort Rodd hill is part of the Esquimalt harbour defences and involves quite an elaborate complex. The matter of its preservation was first raised in 1957. The historic sites and monuments board considered the matter at that time

and recommended in 1958 that it be declared as of national historic importance. In that connection, the board reviewed this matter as well as the preservation of adjacent Fiskard lighthouse in 1960. The latter was declared to be of national historic importance at that time and in 1961 the minister declared Fort Rodd hill to be of national historic significance. By that series of steps the whole complex has now come under the control of the historic sites and monuments board.

Mr. Pickersgill: It always was the property of the crown?

Mr. Dinsdale: Yes. It was always the property of the crown so that there has been no difficulty in transference.

Mr. McGee: I am sure the minister was saving the most succulent morsel until the end of his remarks. I am sure he has some remarks to make concerning the Scarborough ossuary.

Mr. Dinsdale: I am greatly interested to hear of the hon. member's continued interest in this subject. It is a subject which will be studied by the historic sites and monuments board.

Mr. Pickersgill: There were two other questions I addressed to the minister just at the end of the time his estimates were taken up on Friday, one with respect to the national park in Prince Edward Island and one with respect to the park in Cape Breton. In looking over *Hansard* I see that I do not think I put quite correctly the question about Prince Edward Island, according to what information I have. I understand that Mr. Doucette was an applicant for a job, that the job was given to someone else, as reported to me, and that in the meantime, this other man who had thirteen or fourteen children was in great need. I just wondered whether the minister, in answer to that question, could say what principle is applied. Is the situation, as I understand it is in Terra Nova national park, that preference is given to married men, those with families and that preference is given to those who most need the work? Can the minister say whether he has been able to get any information on this matter? I cannot blame him very much if he has not done so in view of the fact that I may have "misled" him a little bit the other day.

Mr. Dinsdale: Yes. Considerable research has been required on this subject because, as the question was originally propounded, there was some uncertainty. However, I have some information. There seemed to be more than one Doucette involved in these matters.

Mr. Pickersgill: I have about fifteen.

[Mr. Dinsdale.]

Mr. Dinsdale: A Clarence Doucette of Rustico was employed as a labourer in Prince Edward Island national park prior to and including 1957. In December, 1957 his services and those of eight other men were terminated. This was the normal lay-off of seasonal employees that occurs every year. He has not sought re-employment since that time and reports confirm that he has since been self-employed in fishing for a livelihood. This man is single and a veteran. I therefore do not think he would have nine children.

Mr. Pickersgill: Thirteen children.

Mr. Dinsdale: Or thirteen children as mentioned by the hon. member.

Mr. Pickersgill: I do not guarantee that.

Mr. Dinsdale: That does not seem to be the proper Doucette. However, there is another one. There is a Harry Lawrence Doucette, also of Rustico, Prince Edward Island, who has been employed in the national park for each year since 1946. His seasonal employment has been continuous except for the year 1953. During that season he was engaged on May 21 as a labour foreman and was employed through June. His services were dispensed with during the months of July and August but he was re-employed in September and worked the full month. According to information available, his period of employment in 1953 was interrupted following representations that he was engaged in political activities. Following an investigation, and representation by Mr. W. C. S. McLure, M.P., instructions were issued to the park superintendent that if Mr. Doucette's services were satisfactory, he was to be re-engaged. This action was taken effective September 1. No person was employed as a replacement during the period of his unemployment. This man is married, is a veteran, and in 1953 had eight dependents. So perhaps it is some other man. The year 1953 is eight years ago.

Mr. Pickersgill: I do not know anything more than what is contained in the information which was conveyed to me. I do not intend to press the minister at all about this matter because I feel that I am not very well informed about it myself. However, I should like the minister to say a little bit more about what the general condition of employment is and to answer the question I asked about the additional information he himself was seeking, according to the answer he gave to the hon. member for Northumberland-Miramichi.

Mr. Dinsdale: In Cape Breton?

Mr. Pickersgill: Yes, in Cape Breton.

Mr. Dinsdale: The hon. member for Bonavista-Twillingate is quite correct when he said that when I last reported on this matter I said I was seeking further information. I received a report from Cape Breton Highlands national park with respect to this matter and on the basis of that report I wrote to Mr. Boudreau, one of the municipal councillors at Cheticamp, Nova Scotia. Perhaps I can best answer the hon. member's question by quoting this letter. This is a letter dated April 21 and it reads as follows:

Further to my letter of March 16th on the matter of rotation of labour at Cape Breton Highlands national park, I wish to advise that I have received a report from my officers.

The report indicates that the established rotational system was followed, and as far as we can determine, every man hired was unemployed and in need of work. This practice is consistent with our policy, and appears to have been well accepted in the areas where it has been applied.

I checked back into the records and I find that this rotational system has been established for a number of years. There are on file letters which indicate it has the support of the local people and it seems to have worked out satisfactorily.

Mr. Pickersgill: The information was given to me and I do not vouch for it personally. I just put it to the minister that this particular rotation was carried on not on instruction of the park officials but on the instruction of a local political committee. I suppose the minister would say that would be quite impossible.

Mr. Smith (Lincoln): Mr. Chairman—

Mr. Pickersgill: Perhaps I could have an answer from the minister.

Mr. Smith (Lincoln): —I should have made my remarks sooner but, if I am in order, I should like to make some reference to Niagara-on-the-Lake and Fort Mississauga.

Mr. Pickersgill: I wonder whether the hon. member for Lincoln would allow the minister to reply to my question so that the reply would appear in the record following the question?

Mr. Dinsdale: Looking back on the record of discussions on this matter I find that in *Hansard* for February 18, 1959, at page 1147, in reply to a question by the hon. member for Port Arthur, my predecessor had the following comments to make:

There has been no trouble in the great majority of the parks but there are certain parks a long way removed from the national employment offices and we do have a policy of employing men who live close to the parks. This applies particularly in the case of Terra Nova park in Newfoundland and the park in Cape Breton. In those districts we have asked people of varying qualifications, ministers of churches, parish priests and so on, to bring to our attention needy people in order to put them to work. We have considered other things such as rotation to make the work go farther and so on. Generally speaking, there has been a pretty fair effort made to move in that direction.

I think they will even accept recommendations from members of parliament.

Mr. Pickersgill: I should like to ask the minister this question. It is just a supplementary question which I think will take only a minute. I would ask the minister whether, in order to save me time and personal research, he could bring me up to date on the latest arrangement for patronage in Terra Nova national park.

Perhaps I ought, in fairness to the minister, draw his attention to the fact that one of the people who concerned himself most about this subject in the past has recently obtained a postal contract and with the purity policy of the minister's colleague, the Postmaster General, I would assume he would not accept any recommendations from him any longer.

Mr. Dinsdale: Mr. Chairman, I am not as familiar as the hon. member with Terra Nova national park. As a matter of fact, if it were permissible I think I might ask him that question and he would be in a position to give me a more adequate reply.

Perhaps I could state the terms of preference in regard to hiring in our national parks. First of all, local residents; second, married men with dependents; and the veterans' preference is also taken into consideration.

Mr. Pickersgill: There is one other consideration in respect to the Terra Nova national park which I asked the minister's predecessor and his predecessor also, because I think the minister's portfolio is the only one that has changed hands twice since the present government was originally formed.

I refer to an assurance that was given at the time the park was established to give a preference in employment in the park—and that was to be an absolute, overriding preference and I am very familiar with this, as the minister rightly said, because I had a good deal to do with the negotiations for the establishment of the park—to those persons who prior to the establishment of the park had made their living by engaging in lumbering operations in the park or in working in saw mills which used the timber from the park.

The provincial government asked for this assurance because they felt they were more or less taking away the livelihood of these people in establishing the park. They wanted to be sure that no hardship was effected. The minister's predecessors have never hesitated to reiterate this undertaking and I think have done their best to carry it out. I make

no criticism on that score, although I think sometimes it has not got down the line quite far enough that this was important.

However, so far as the ministers are concerned, in this respect I have never had any complaint whatsoever. Since there is a new minister I think it would be reassuring to the people concerned if the minister would just repeat that assurance.

Mr. Dinsdale: I am happy to repeat that assurance, because the policy has been to ensure that any persons who were displaced by reason of the establishment of Terra Nova national park should have preference in employment opportunities.

Before the park was established a number of residents in the vicinity earned their living by cutting timber on lands which are now in the park. Care has been taken to ensure that their means of livelihood have not been adversely affected.

This has been done by making available to local residents a fair share of the employment opportunities within the park, and also by issuing permits to cut timber during the period October 1 to March 31. Furthermore, so there would be no elements of unfairness resulting from the difference between provincial and national parks' timber dues, the national parks' timber regulations were amended in 1958 to lower dues at Terra Nova to those charged by the province.

The highway construction program has also considerably assisted employment opportunities.

Mr. Pickersgill: I apologize to the hon. member for Lincoln.

Mr. Smith (Lincoln): Mr. Chairman, I will be as brief as possible. I should like to congratulate the minister on being appointed to this very important portfolio and extend to him a very hearty welcome to come to the Niagara peninsula and visit some of the historic and important sites in that area.

I must make reference to Niagara-on-the-lake which is at the mouth of the Niagara river. Prior to confederation there was always a large garrison of British soldiers there. It was also an important place during the war of 1812 when the United States invaded Canada.

We have there Fort Mississauga, which is an old, stone and brick structure. We have Fort George, which has been restored by the provincial government, and we also have Navy Hall. As I said, prior to confederation there was always a garrison of British soldiers there; there were also a number of British navy units stationed there. Niagara-on-the-lake was also the seat of the first government of Upper Canada. So you will see, Mr. Chairman, that it is a very important and very historic part of Canada.

Across the river is old Fort Niagara, which was built some 300 years ago by the French. It was later occupied by the British and now, of course, by the United States. They fly the three flags there every day, the French, British and United States.

On our side of the river we do not have buildings which are quite so old. Nevertheless we have buildings which are very important in so far as the history of Canada is concerned. There is Navy Hall and Fort George, Queenston Heights and Brock's monument. These are all under the care of the provincial government and they are being well taken care of. Thousands of tourists go there every year.

I am particularly concerned about Fort Mississauga, which was built, I believe, about 1813. Therefore it is almost 150 years old. Unfortunately it stands in the middle of a golf course. This golf course was used by British soldiers and British officers during the colonial days. When one mentions the restoration of Fort Mississauga one of course gets into trouble with the golfers. Nevertheless I do not think that obstacle should permanently stand in the way.

I am pleased that the Department of Northern Affairs and National Resources went in there last year and did some repair work on the fort to keep it from falling apart and becoming dangerous. However, I do not feel that is enough and I hope that some time in the near future the minister will sit down with some of the people from the Niagara peninsula who are historically minded and work out some sort of long term program so that Fort Mississauga will be preserved.

As I say, it is a brick and stone building. It has about two storeys underground and two above. Troops were garrisoned there, guns were mounted on ramparts and other supplies were kept inside the fort. I feel it is one of the few historic buildings still standing in Canada in its original state.

We have many other forts which have been rebuilt, but this is the original fort. It is just the way it was built, with stone or brick walls. It would be very unfortunate to see it deteriorate and fall apart. Therefore I recommend to the minister that he give very serious consideration to doing something on a long term basis so this building will be preserved.

In this area there are something like 1,000 acres of land. Some of this land has been held by the government since before 1812 and some of it was acquired later. In years gone by it was used as a military training camp, but the change in military equipment has made it obsolete for those purposes,

especially the land in the town of Niagara. I feel this should be preserved for some type of historic park. We are using it at the present time for a small amount of civil defence practice and a small amount of cadet training, but the day will come when the land may be disposed of. We hear many rumours from time to time to this effect.

I would be very much against seeing the land sold off for a housing subdivision or some other purpose. I think some kind of arrangement could be made whereby the golf course would be transferred from the Fort Mississauga location, and Fort Mississauga could be restored and made open to the public. The golf course could be put in another place, probably somewhere within these 1,000 acres of military camp land.

People from the Department of Northern Affairs and National Resources have visited the area. They are interested in establishing a bird sanctuary on part of this land. I think that would be an excellent scheme because many of the migratory birds that fly south stop over there on the way down. At the present time there is nothing appropriate there. I feel part of that land should be used as a bird sanctuary because it is situated on lake Ontario.

There is also an area a few miles from there where are found the remains of the first Welland canal which was built in 1824 and I feel that since this was the beginning of the linking up of the great lakes something should be done in that area to commemorate the history of the building of that canal. As I say, it was built in 1824, which is a long time ago. There is a committee composed of local historians in the area which is interested in something of this kind and they have contacted the department. I would ask the minister to give consideration to making some arrangements for the disposal of the thousand acres of campsite and for preserving Fort Mississauga. Also, something significant should be done about commemorating the first Welland ship canal on part of the land which is available at the present time.

Mr. Pickersgill: I should like to support warmly what has been said by the hon. member for Lincoln and I do so as a descendant of one of Butler's rangers which, I think, gives me a claim at least as great as that of the hon. gentleman to support claims made on behalf of Niagara. In my opinion this is far and away the most historic spot in Upper Canada and I think it should be preserved in the way Williamsburg has been preserved in the United States. I think the hon. member has been, if anything, too modest. The whole place is deserving of commemoration, not merely isolated parts of it. I suggest that a good many of the buildings in that town should be restored, because nearly every one of them is of historic interest.

I may be biased because of a family interest in the place—it has an attraction for some of us in the house, at any rate, as Butler's burying ground—but I believe this to be one of the most attractive towns in Canada particularly in view of the fact that, like Niagara Falls itself, it is adjacent to the largest concentration of population in the whole of North America. It would be a good national investment if we could persuade some Canadian Rockefeller to treat it as Williamsburg has been treated.

Mr. Smith (Lincoln): I should just like to tell the hon. member for Bonavista-Twillingate that Butler's burying ground is well preserved and well cared for. It is a place which attracts many tourists. There is also the old St. Mark's church and St. Andrew's church. The original churches have been there for over two hundred years. They are in good shape. I thoroughly agree we have a setting there for a historic town which would be equal to anything in the United States.

Mr. Martin (Essex East): Those last observations of the hon. member for Lincoln and the hon. member for Bonavista-Twillingate have caused me to rise and say a few words about an equally historic centre, the county of Essex and, of course, the city of Windsor. I am not going to indulge in considerations of priority at this time, but since the minister is just in the early months of his administration, I should like to take this opportunity of saying to him that we shall welcome him to Essex county in his capacity as Minister of Northern Affairs and National Resources.

He will find many institutions of great historic interest. He will find the county and the community replete with Canadian history that goes back well over several centuries. In fact he will find families in Essex county who have a direct descendance during this period one of which is recognized by the name of the main street in the city of Windsor, Ouellette avenue. I point out to the minister that I think it would be useful for him to consult with his officials and find details of the generalizations that I am now making. He would find, for instance, in the Baby museum a historical museum that is rich with the memories of the past of this particular area. He would find, too, that his historic sites division has taken a great interest in this museum. I should like, here, to pay a tribute particularly to the late Mr. George Macdonald, one of the leading citizens of Windsor, for his work in connection with that museum as well as other personalities in Windsor among whom was the late Don

Brown, the former member of parliament for Essex West. Then, of course, there is the museum at Amherstburg which will forever be connected with the work of Mr. Murray Clark a former member of parliament for Essex South. These two museums are repositories of the evidence of our rich historic past. When we are thinking of the future it is well for us to dwell upon the efforts of those who have gone before in our various communities.

I belong to a city and am a citizen of a county which has a very long history not only in terms of national achievement and local achievement but in terms of our relations with the state of Michigan in the United States. When the minister comes to visit us, I hope he will give me the opportunity of showing him Peche island which separates the city of Detroit from the city of Windsor. This is a Canadian island, owned privately. It is not as large as Belle island—Belle isle—the island owned by the people of the corporation of the city of Detroit, but it is a beautiful island and its potential value in terms of tourism and in terms of adorning the point of entry for the largest number of people from the United States into Canada is one which might well be considered by the government as making it a property which should belong to the crown either in the right of the province or in the right of the dominion or in the right of both the province and the dominion. I would ask the minister to give consideration to this particular matter. It is one which might, I think, serve a great purpose in the future for Canada as well as for the city of Windsor and the county of Essex.

I invite the minister to come and see us so as to give us an opportunity of showing him something of our history, something of our present achievements, something of our present problems and some of our plans for the future. Among these I include, of course, Peche island. When the minister is in Windsor he will, of course, take advantage of an invitation which will no doubt be extended to him by the hon. member for Essex South of visiting the historic sites in that section of the county. He would want to go to the national park at Point Pelee. He would also want to visit the Jack Miner sanctuary, institutions which I know interest the hon. member for Essex South as they interest all who live in the county of Essex.

I am sure the minister will take advantage of this invitation. He is a man of great modesty and I am sure will not mind my saying that he will profit greatly from this kind of contact with the people of an area so richly endowed in history, as we are in Essex county and the city of Windsor.

[Mr. Martin (Essex East).]

Mr. Herridge: Mr. Chairman, I have been moved to rise to say a few words in view of the remarks made by the hon. members for Lincoln, Bonavista-Twillingate and Essex East. These gentlemen have all dealt with eastern Canada and I could see, as they were speaking, that the minister was very receptive to their suggestions, particularly those of the hon. member for Essex East.

I should like to bring to his attention that, to the best of my knowledge there has never been to this date a visit, by the Minister of Northern Affairs and National Resources, to the Kootenays. This fact was brought to my attention by some individuals interested in the forestry industry. While our history does not go back 300 or 400 years—only to 1811, the time of David Thompson's discoveries—there are many interesting things to see. Some very famous men have originated in the Kootenay area and lived there, as well as some even more famous women. We have some very interesting mining communities and other historic sites there. I should hope the minister will have the opportunity of visiting the sternwheeler *Moyie* at the village of Kaslo, in order to acquire first hand understanding of what the Kootenay historical society has done.

Therefore, Mr. Chairman, not wishing to take up the time of the committee I would, on behalf of the people I have the honour of representing, invite the minister to visit the Kootenays and, should he decide to come, I shall do everything possible to make his visit informative, enjoyable and to the advantage of everyone concerned.

Item agreed to.

286. National aviation museum, $139,875.

Mr. Matthews: Mr. Chairman, I should like to say a few words in regard to item No. 286. I should like first of all to compliment the minister for the very fine work he is doing in the Department of Northern Affairs and National Resources. I suggest that it is very fitting that this item, covering the national aviation museum, is included under his department. The minister served with the Royal Canadian Air Force in the 410 mosquito night fighter squadron and was awarded the distinguished flying cross. While I am dealing with this subject, I should like to mention that the hon. member for Calgary South was also awarded the distinguished flying cross and is now the president of the Canadian air cadet league, carrying on very good work in that capacity. While these remarks are not necessarily related to a discussion of the aviation museum vote, I felt that I should take the opportunity of bringing these facts to the attention of hon. members.

I should like to ask the minister if it is intended that other aircraft be added to this display. I understand that the Silver Dart is on display at the museum, and I was wondering whether other aircraft could perhaps be included in that display. I refer particularly to the Curtis JN-4 which was built in Canada 45 years ago, and was probably the first training plane used on this continent to any extent. I am sure that if a search was made in barns around the areas of Deseronto, Beamsville, and Toronto, some of these old aircraft would be found. I understand there is great interest in the United States regarding these JN-4's and that several of them have been shipped down there, rebuilt and are still being flown. I should like to see one of these aircraft placed in that museum.

Many of our pioneer flyers such as the bush pilots who flew in the open cockpit airplanes were trained in these aircraft. If one queries the old time flyers it will be found that a great amount of flying was done in these old planes and that they were considered to be wonderful aircraft.

Not long ago one of the old time bush pilots was asked to describe the difference between crashing in one of the old planes and crashing in one of the new type airplanes. He said there was very little difference. He suggested when an old type aircraft crashed it came down bzzzzt and, bang, it hit the ground. He said that crashing in a new type of aircraft was much the same, it came down bzzzzt, bang, and hit the ground, but a few seconds later there could be heard the tinkle, tinkle of the glass falling out of the windows. That apparently was the only difference.

I am sure the minister, having been a pilot, will appreciate the tremendous amount of work that has been done in the development and design of aircraft, and I suggest to him this progress could be reflected by the display of one of the older types of aircraft at the museum.

I had not intended to take up much of the committee's time but I did want to bring these suggestions to the minister's attention, and I hope in the near future he will be able to inform me that one of the old JN-4 Curtis Canucks is on display at the museum.

Mr. Peters: Mr. Chairman, in view of the remarks made by the hon. gentleman who has just taken his seat, I should like to inform the present minister that I have been very interested in this particular subject for some years, and suggest that a comparison could be made between aircraft at the beginning of aviation history in Canada, and aircraft as they exist today by referring to our memory of the expenditure regarding the CF-105 Arrow program. I should like to ask the minister if one of the Arrow aircraft could be included in the display at the museum so as to represent what has taken place in the field of aviation in Canada. If this could be done, it would be of interest to compare the Arrow with the Silver Dart which is there on display now. I made this same suggestion to the former minister who assured me that he would give consideration to it, and I am now wondering whether it has been done, or if one of those aircraft is available for this purpose.

Mr. Dinsdale: Mr. Chairman, I should like to reply briefly to the remarks made by the two hon. members who have just spoken. I am aware of the subject referred to by the hon. member for Nanaimo, but must inform him that it is very difficult to acquire a Curtis JN-4. It has become a very rare species. I can assure the hon. member that the aviation museum, which occupies almost the entire upper floor of the air terminal, is just a beginning of a much larger science museum, and that an earnest attempt is being made to acquire suitable types of aircraft. The Royal Canadian Air Force is collaborating in this regard.

In reference to the query regarding the CF-105, I should like to inform the hon. member that a replica of the CF-105 will be available for the museum when space is provided.

Item agreed to.

287. Grant to Jack Miner migratory bird foundation, $5,000.

Mr. Thrasher: Mr. Chairman, I do not wish to delay the passage of this item, but I should like to extend my congratulations to the minister for his work in this particular department, and in so doing I should like to adopt the remarks made earlier this afternoon by the hon. member for Charlotte.

This particular item is of extreme importance in my area. The great work of the Jack Miner foundation is known not only throughout Canada but the whole world. I hope the minister will, in the not too distant future, have the opportunity of visiting this very important bird sanctuary, and will at the same time take the opportunity of visiting Fort Malden museum at Amherstburg, Ontario, as well as the national park at Point Pelee, both of which are located in my riding.

I should also like to take this opportunity, Mr. Chairman, to thank the officials of the department through the minister and to tell them how pleased I am with the excellent work done in the area of the county and the excellent co-operation given to the people in that area.

Mr. Martin (Essex East): I hope the minister will take advantage of the opportunity now presented to say something in answer to the hon. member who has just spoken and also to what I had said on a much wider front on matters which concern the whole of Essex county.

Mr. Dinsdale: I must say that I appreciate the kind invitations that have been extended by many hon. members to visit their part of Canada. I am fully aware of the historic significance of the area referred to by the hon. member for Essex South and also the hon. member for Essex East. At the earliest opportunity I do intend to visit the various historic places that have been mentioned by them.

I was interested in the comment made by the hon. member for Essex East with reference to the Baby museum. I understand that that is under private auspices—

Mr. Martin (Essex East): That is right.

Mr. Dinsdale: —and has been preserved by Hiram Walker. I do not know just how it has been preserved. That is the sort of development that is very encouraging, especially when we have private groups interested in preserving our historic heritage.

Mr. Martin (Essex East): It has been preserved by the Hiram Walker Company located in Windsor. Through the generosity of that company the museum is now one of our treasured institutions.

Perhaps the minister would also give me an encouraging word with regard to my proposal and suggestion respecting Peche island?

Mr. Dinsdale: That is a question that will have to be considered by the historic sites and monuments board.

While I am on my feet I might say to the hon. member for Lincoln that my officials have already had extended conversations with reference to the Welland canal project.

Item agreed to.

288. Grant in aid of the development of the international peace garden in Manitoba, $15,000.

Mr. Pickersgill: One word, sir. I would imagine this would be an item on which the minister would think the taxpayers' money could be saved. Has the minister a word to say about it?

Mr. Dinsdale: I am hoping that some other hon. member will take up the torch on my behalf in connection with this item. In view of the fact that the hon. member for Bonavista-Twillingate has been so active on so many other matters pertaining to Manitoba I trust he will give this his wholehearted support.

[Mr. Thrasher.]

Mr. Pickersgill: It being so close to the place where I went to live when I first went to Manitoba, sir, I could not help but support it.

Item agreed to.

290. Canadian wildlife service—wildlife resources conservation and development, including administration of the Migratory Birds Convention Act, $823,390.

Mr. Pickersgill: Mr. Chairman, I have been waiting for this item for a long time. I have no desire to hold matters up but I did receive in my mail this morning a letter from one of my constituents which puts the case much better than I could possibly put it myself. To save the time of the committee and the minister I will read some extracts from it, but I will not try to read the whole letter. I do not think it will be controversial in the partisan sense, though it may be controversial in an international sense. This letter is in connection with the federal law concerning the killing of sea ducks, in which Newfoundland is no exception. The letter reads in part as follows:

First let me have a few words with regard to the open season period, namely November 14 to February 28.

Well, I will not go through that because it says some rather disparaging things about the weather in Newfoundland during the period and suggests it is not a very suitable time to shoot anything. Then, the writer goes on to say:

Next, I ask why the season closes on February 28. If it is because sea ducks or any other sea bird commences mating at this time, I am much to the contrary. Frankly I would not be the one to disturb any bird in any stage of its mating or breeding period. What I am trying to point out is that all species of sea birds are in abundance around our Newfoundland coasts yet the law forbids the taking of same. I might say that the murr or turr may not be any denser than several years ago due to the fact that it is a deadly prey to oil pollution. However, this enemy has very little or no effect to the various sea ducks inhabiting our shores, although it does take its toll.

Sea bird sightings this year have been greater than ever before; I myself being one of the most avid hunters of Bonavista have witnessed the sight of many sea ducks and estimate their numbers to be in the multi-million margin; radio broadcasts near Christmas of 1960 announced sea ducks denser than ever before in the cape Freels-Bonavista area yet conservation measures are still imposed. Why this is so is beyond my comprehension or anyone else's and I think it is about time steps were taken to have this law rescinded.

Now a word concerning the tickleace (killiwak) and bull bird as commonly known to us Newfoundlanders. Those birds are by law forbidden delicacies and like the sea duck are also in abundance. Why those birds are conserved is another law which leaves us all dumbfounded.

Surely the open season can be made to suit each province of Canada or do Newfoundlanders have to refrain from killing sea birds just because

Nova Scotia, Prince Edward Island or some other province of Canada have fewer sea bird populations than Newfoundland.

Now, the whole point that this gentleman is making, and I summarize the rest of his letter, is in fact that these sea ducks to which he has referred and the other birds to which he makes reference apparently go to the Labrador for their mating. They disappear automatically from the coast of Newfoundland before the mating season. I know that this is probably covered to some extent by an international convention, but I would ask the minister—and I will send the whole letter to him—whether he can give consideration to the fact that Newfoundland is much farther out to sea and a good deal farther north than the maritime provinces and whether there may not be a good deal in the contention of this letter?

Mr. Dinsdale: This is one of several problems of a similar kind. We have the sandhill crane problem on the prairies. Perhaps the best answer I can give at this time is to refer the letter to our wildlife people and see what possible solutions can be arrived at. I know they have been working on this typical problem of the sandhill crane. With respect to this particular problem of the sea duck, are the sea duck and the murr one and the same creature?

Mr. Pickersgill: No, I gather not.

Mr. Dinsdale: This particular problem has had no active consideration. With regard to a solution, I think it is something that we shall have to take under consideration.

Progress reported.

Resolutions adopted in committee of supply this day reported and concurred in.

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

Question

ANSWER TO QUESTION

The following answer, deposited with the Clerk of the house, is printed in the official report of debates pursuant to standing order 39:

THE CENSUS—EMPLOYMENT OF WORKERS

Question No. 210—**Mr. Regier:**

1. In regard to the forthcoming census, are officers being advised to consult the national employment service offices for potential helpers?
2. If not, for what reason?

Answer by: **Hon. George H. Hees (Minister of Trade and Commerce):**

1 and 2. The census commissioners were appointed by the Minister of Trade and Commerce and, as has been stated on several occasions, he obtained recommendations from a number of sources. Census temporary clerical staff will be appointed by the civil service commission which consults local offices of national employment service. Census enumerators will be appointed by each census commissioner. They have been instructed to obtain competent people and they will, as occasion requires, consult with the national employment service.

[The following items were passed in committee of supply]:

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

National parks branch—

283. Branch administration, $268,584.

National parks and historic sites and monuments—

284. Administration, operation and maintenance, $8,248,914.

285. Construction or acquisition of buildings, works, land and equipment, $16,149,217.

286. National aviation museum, $139,875.

287. Grant to Jack Miner migratory bird foundation, $5,000.

288. Grant in aid of the development of the international peace garden in Manitoba, $15,000.

289. To authorize payment to the national battlefields commission for the purposes and subject to the provisions of an act respecting the national battlefields at Quebec (chap. 57, statutes of 1908, as amended), $211,286.

APPENDIX "A"

MESSAGE FROM THE CO-CHAIRMEN OF THE GENEVA CONFERENCE ON INDO-CHINA TO THE INTERNATIONAL COMMISSION FOR SUPERVISION AND CONTROL IN LAOS

The co-chairmen of the Geneva conference on Indo-China represented by the governments of the Soviet union and Great Britain note with satisfaction that in accordance with their instructions the international commission for supervision and control in Laos convened in Delhi on the 28th April 1961 and thereby renewed its activity. The co-chairmen have received the commission's report of the 1st May 1961 and express their appreciation for the recommendations contained in this report.

The co-chairmen consider that the basic task of the commission at the present moment consists in fixing the cease fire in Laos in accordance with the understanding reached by the belligerent parties and in exercising supervision and control over the cease fire. After the conclusion of an agreemnt between the belligerent parties in Laos on questions connected with the cease fire, the commission should exercise control over the execution of this agreement. They have in view that with the agreement of the parties in Laos the commission in the course of its work of controlling this agreement will receive from the parties the information necessary for carrying out this task.

The commission should arrive in Laos immediately after the belligerent parties have ceased fire, having of course arranged its arrival with them, and should proceed to carry out its task.

The co-chairmen express the hope that the commission will carry out the functions entrusted to it acting in close contact with the parties in Laos. In this regard they are taking account of the positive replies which the belligerents have made to their call for a cease fire in Laos.

As regards the functions which the international commission for supervision and control in Laos will carry out on the completion of the first stage of its work the determination of these functions falls within the competence of the international conference on Laos which is being held in Geneva on the 12th May.

On the administrative questions raised by the commission in its report of the 1st May:

(i) the co-chairmen agree with the recommendation that the commission should request the government of India to advance 200,000 U.S. dollars to the commission to meet its immediate minimum requirements on the understanding that suitable arrangement will subsequently be made to reimburse the government of India.

(ii) the co-chairmen endorse the need for the greatest measure of economy by the commission in administrative matters.

The co-chairmen request the commission to furnish them with regular reports on its activities particularly with regard to the manner in which the cease fire agreement is being observed by the parties.

END OF VOLUME IV